

Bain & Company Pro Bono Project  
2002 Budget Analysis and Benchmarking  
Final Report  
For

# **The City of Atlanta**

March 21, 2002

**Note:**

Bain & Company, a global strategy and business consulting firm, offered pro bono support to the City of Atlanta in December 2001 to help elected and appointed City officials identify the scope of the budget gap and to support those officials as they considered options to close the gap.

This analysis does not constitute a financial audit, a task that is the responsibility of the City's independent auditors and the City's internal audit group.

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## **1. INTRODUCTION**

This report contains ten sections. It begins with this introduction and an executive summary of the key analyses and conclusions of the report. Next, the project approach is reviewed. Following the project approach are individual sections for the modules of activity that comprise the approach.

The resulting sections are:

- 2002 Proposed Budget review
- Historical trends
- General benchmarking
- Departmental benchmarking
- Budget development

Next in the report is an appendix that includes data from cities comparable to Atlanta and spreadsheets for all charts in the report. The report concludes with an overview of Bain & Company.

## **2. EXECUTIVE SUMMARY**

### **Research and analysis**

#### **2002 starting financial situation**

Entering the 2002 fiscal (and calendar) year, the City of Atlanta faced a substantial budget gap of \$82 million, or 19%, in its General Fund. While many major cities in the U.S. faced budget difficulties at the beginning of this year, this 19% gap is one of the largest for any of Atlanta's peer cities. This gap was created by several events, chief among them:

- Actual revenues did not exceed budgeted anticipations in 2001, as they had in at least the four previous years, due to a drop in sales tax and other revenues likely driven by slowing U.S., Fulton County and Atlanta economies.
- Without this "unanticipated" revenue and with continued spending, the City ended 2001 with a negative General Fund balance of \$7 million.
- \$9 million of annual expenditures had been historically under-budgeted.
- \$24 million of financial commitments were made in 2001 for 2002 that did not have clear sources of incremental funding.
- The City entered 2002 without a reserve, and one needed to be built to a level of at least \$16 million.

#### **Multi-year context**

While many of the immediate causes of the gap occurred in 2001, the financial condition of the City of Atlanta entering 2002 was actually the culmination of events which occurred over several years, principally:

- Actual expenditures grew \$65 million from 1999 to 2001 (a compound annual growth rate (CAGR) of 8.1%).
- In four of the past five years, the City had an operating deficit.
- In the past three years, the City overspent its initial budget.
- In the ten years prior to 1999, the real expenditure growth rate outpaced the revenue growth rate by more than six to one (1.4% to 0.2%), although both growth rates were very low.

#### **Benchmarking results**

Compared to the average levels for similar municipalities, the City of Atlanta spends 2 to 4% more per capita for the same types of services. A workforce that is 21 to 37% larger per 100K residents than the average for comparable cities delivers these common services. The exact causes of the difference between slightly higher than average expenditures and significantly higher than average personnel cannot be ascertained at this time. There are at least four potential factors, any one or a combination of which could be causing the difference:

- Mix of personnel. The City of Atlanta may employ more personnel at lower pay grades than other cities. On a relative basis, the City may have less automation and may employ greater numbers of personnel to perform the same tasks as other cities.
- Outsourcing and privatization. Atlanta has not undertaken significant outsourcing or privatization of some central services functions such as information technology and motor transport services. With less outsourcing, Atlanta may have personnel on its payroll that are not on the payrolls of other cities.
- Lower pay for comparable positions. The City of Atlanta may pay its personnel less for the same types of work.
- Reporting by cities. Although the U.S. Census data is intended to represent actual personnel figures, some totals suggest that authorized positions were used instead. In particular, it appears that Atlanta's totals include authorized positions, potentially exaggerating the difference when using the U.S. Census data as a source.

## **Conclusions**

The City of Atlanta needs significant improvements in its financial and operational performance. Indeed, if the City of Atlanta wishes to become a "best in class" managed city, with demonstrable increases in governmental effectiveness and efficiency that drive noticeable improvements in the quality of life, then a full-scale "turn-around" effort is required.

First, revenue and expenditures need to be appropriately budgeted and controlled more tightly. Budgets must be set to reflect reasonable estimates of receipts and spending. After the budgets have been set, overspending relative to the budget must be avoided, and, when overspending is unavoidable, clear revenue sources must be identified.

Second, the City should create closer linkages between expenditures and output. As it stands, clear operating metrics and goals are not part of the budgeting process, making it difficult to evaluate the effectiveness of the City's expenditures.

Third, program additions and modifications must be linked to specific funding sources. While similar to overspending in the point previously discussed, this is a different class of action and requires special tracking and discipline.

Fourth, department heads should be held accountable for both financial and operating goals. The budget document should serve as a baseline for departmental objectives, and progress against these objectives should be monitored and reported on frequently.

Fifth, the City must be much more effective at preparing for economic downturns and holding funds in reserve to compensate for unexpected expenditures. On this subject, the recently passed ordinance setting minimum reserves at 5% of the General Fund budget is consistent with the policies of other municipalities.

Sixth, the City should carefully monitor short- and long-term trends in overall and departmental spending to identify areas of concern or opportunity.

Seventh, aggressive targets for efficiency gains and operational improvements should be set and communicated. Data consistently indicate that the City of Atlanta has room for improvement, and specific goals must be articulated to drive this improvement.

### **3. PROJECT APPROACH**

#### **Project overview**

In December of 2001, the City of Atlanta faced a significant budget challenge as projected expenses for the General Fund for the forthcoming year exceeded projected revenues. Budget gap estimates at that time ranged from \$30 million to \$45 million. While the full dimensions of the problem were unknown, it was clear that important work was required to close the budget gap.

In this context, Bain & Company, a global strategy and business consulting firm, offered pro bono support to the City of Atlanta in December 2001 to help elected and appointed City officials identify the scope of the budget gap and to support those officials as they considered options to close the gap. The research and analysis offered by Bain & Company was consistent with its mission over the past 28 years to help organizations achieve lasting and sustainable improvements in profitability, efficiency and effectiveness.

As part of Bain & Company's pro bono commitment to the City, the firm agreed neither to solicit nor accept paid work from the City for the duration of Mayor Shirley Franklin's term(s) as mayor.

While this project included detailed analysis of existing documents, it is important to recognize that this project did not constitute a financial audit, that task being the responsibility of the City's independent auditors and the City's internal audit group. Also, the intent of this work was not to attempt to look backward and "parse the blame" among various parties. Instead the purpose was to look forward and support City officials as they attempted to improve the situation.

#### **Project objectives**

The Bain & Company project had two primary objectives:

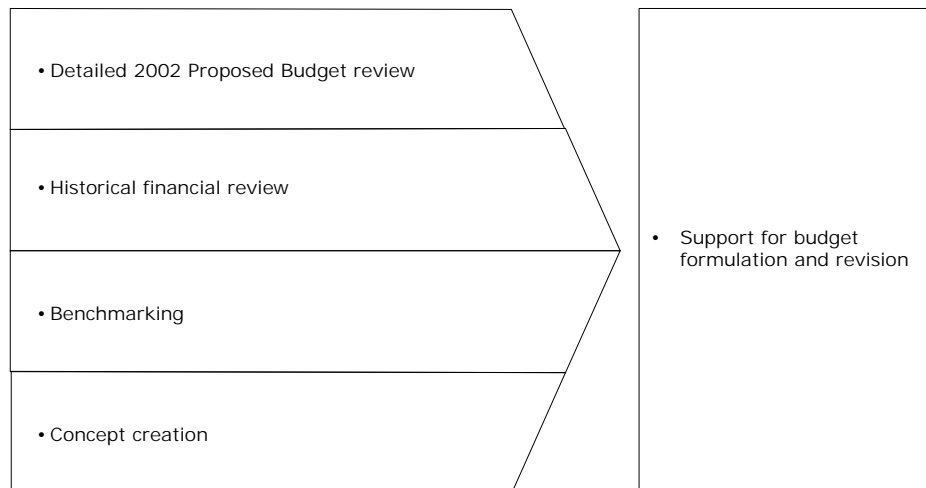
- To assist the City of Atlanta, as represented by Mayor Franklin and the City Council, in understanding and analyzing the current fiscal situation of the City as well as the 2002 budget proposed by the outgoing administration in December 2001.
- To provide analytical assistance to the Mayor and City Council as they determined what improvements and changes in the proposed budget were necessary to both create an accurate, balanced budget and to contribute to the near-term and long-term success of the City of Atlanta.



### **Module of activity**

The basic approach involved five modules of activity (Figure 3-1). The sum goal of these modules was to enable the Mayor and City Council to more fully understand the scope of the problem and the options to resolve it.

**Figure 3-1: Project Approach**



In the Detailed 2002 Proposed Budget review module, the team developed an understanding of the initiatives and changes included in the budget delivered to the City Council in December 2001 by the outgoing Mayor. As part of that analysis, the team developed an updated calculation of the budget gap, given the final 2001 financial figures and other analysis.

In the second module, the Bain team reviewed historical budgets and actual data to identify trends and year-to-year comparisons over the past five, ten and, in some cases, twenty year periods. This information helped set the context for the Mayor and the City Council's subsequent budget deliberations.

To understand how the City of Atlanta compares with other municipalities, a benchmarking study utilizing multiple data sources was initiated in a third module of activity.

In the fourth module, the Bain team supported the City Finance Department as it analyzed input from City departments and developed various alternatives and concepts for closing the budget gap. These alternatives and concepts were considered by the Mayor and included in her 2002 Recommended Budget.

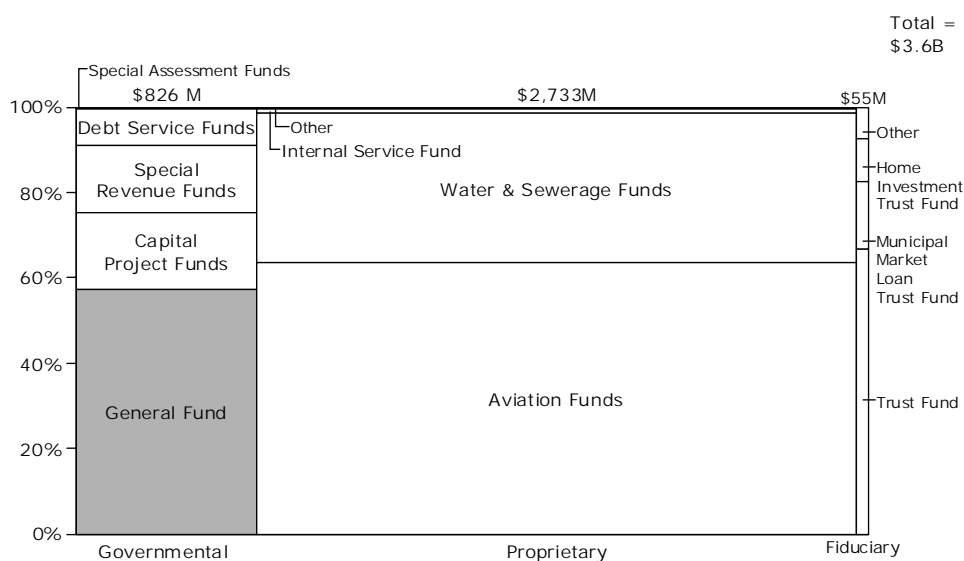
Finally, the Bain team provided analytical support to the budget formulation and revision process. This module included providing assistance to the Mayor, the Chief Financial Officer, the City Council Finance Committee and the City Council as they considered and recommended various budget scenarios.

The output of these five modules will be discussed in this document. In addition, the team has included its suggestions for improving the budget process of the City based on observation of the current budget cycle and comparisons to the processes of other municipalities.

### Scope of project

The Bain team focused almost exclusively on the General Fund, given that most basic city services are provided from that fund and that many of the City's financial concerns revolved around that fund. In 2001, the General Fund comprised \$473 million of the City's overall operating budget of \$3.6 billion (Figure 3-2). Of the \$2.7M of proprietary fund spending, approximately \$2B is either capital expenditures or in reserve for appropriation (monies held for future expenditure). Once these are "removed," the importance of the General Fund becomes clear.

**Figure 3-2: Complete City of Atlanta Budget (2001)**



Source: City of Atlanta Budget 2001

In 2001, the City Council approved the movement of Sanitary Services to a separate fund. In addition, the Council approved moving the City (Traffic) Court and the Civic Center out of the General Fund for 2002.

#### **4. 2002 PROPOSED BUDGET REVIEW**

To understand the starting point for the 2002 Budget, the team reviewed the budget submitted by the outgoing administration and received by the City Council in December 2001 (2002 Proposed Budget).

A critical part of this review was a calculation of the budget gap. A budget gap is created when anticipated funds available are exceeded by estimated costs. For purposes of this analysis, all measures included in the 2002 Proposed Budget to close the budget gap were reconsidered. In other words, the various position reductions and other changes described in the 2002 Proposed Budget were not included to reduce the size of the budget gap in this analysis.

##### **Starting position for 2002**

The General Fund began 2002 with a negative balance of \$7 million. This occurred because expenditures exceeded receipts during 2001 by \$35 million. Additionally, \$15 million were required to be transferred to the City (Traffic) Court building fund from the reserve.

**Figure 4-1: 2001 Financial Results**

Beginning balance	\$49M
+ Receipts	\$416
- Expenditures	451
- City (Traffic) Court building reserve	15
- Appropriations payable	12
+ Accounts receivable	6
Ending balance	<u><u>-\$7M</u></u>

Note: Excludes Sanitation Services.  
Source: City of Atlanta Financials (2001)

### **2002 anticipations**

Based on final financial results from 2001 and a source-by-source analysis of projections for 2002, the Budget Commission (the Mayor, the Chief Financial Officer, the City Council Finance Committee Chairperson, and two City Council members) recommended that baseline anticipations (i.e., before any revenue changes) be anticipated at \$390 million. This set anticipation levels at a weighted average of 98% of 2001 revenues.

### **2002 base expenditures**

The 2002 “operations as before” baseline expenditure amount was calculated as \$416 million. Two additions needed to be made to this figure:

- Departmental overspending that occurred in 2001 but was not fully reflected in the previous administration’s proposed budget (Figure 4-2). The add-backs included in the budget were less than 50% of the 2001 variances against the budget.
- Full year funding for ongoing expenditures added to the budget during 2001 without any ongoing funding sources (Figure 4-3).

**Figure 4-2: Under-budgeting**

Hotel / Motel Tax Pass-through	\$3.8M
Department of Corrections	2.0
Bureau of Motor Transport Services	3.0
	<hr/>
	<b>\$8.8M</b>

Source: City of Atlanta 2001 Financials

**Figure 4-3: Unfunded 2001 Commitments**

Item	Cost
Additional contributions to Police Pension Fund	\$6.4 M
Additional contributions to Fire Pension Fund	2.7
Additional contributions to General Employees Pension Fund	1.8
Sub-total	<u>\$10.9 M</u>
Health benefit costs	5.7
2001 merit increase	2.3
Personnel reclassifications and new positions	1.5
New corrections positions	1.3
Energy cost reduction contract	1.2
Raises for non-sworn personnel	1.1
City Council raises	0.3
Total	<u>\$24.3 M</u>

Source: City of Atlanta 2002 Budget Worksheet


Finally, current City of Atlanta administration plans called for a rebuilding of reserves. For 2002, \$16 million has been earmarked by the Mayor and the City Council to create the City's reserve. Maintaining this reserve is critical to the City's financial standing. The reserve provides for normal cash flow needs, unexpected costs and reassures the bond rating agencies and owners that the City is committed to achieving solid financial footing.

The combination of the negative starting position, the anticipated revenues, the "baseline" projected expenditures, and the need to rebuild reserves yields total appropriations of \$465 million for 2002.

#### **Magnitude of budget gap**

Comparing total appropriations (\$465 million) against available funds (\$383 million) yields the \$82 million budget gap (Figure 4-4).

**Figure 4-4: 2002 General Fund Gap**

Available for Appropriations		≠	Appropriations	
2002 anticipations	\$390M		2002 base budget	\$416M
Cash deficit from 2001	(7)		Under-budgeted expenses	9
			Unfunded 2001 commitments	24
			Creation of reserve	16
<hr/>			<hr/>	
Total	\$383M		Total	\$465M
 <b>\$82M budget gap</b>				

### **Closing the Gap**

Solutions for the 2002 budget gap were recommended by the Mayor, reviewed and amended by the City Council and approved by the City Council on February 25, 2002. For further information on the specific initiatives enacted to close the budget gap, please refer to the City of Atlanta 2002 Adopted Budget.

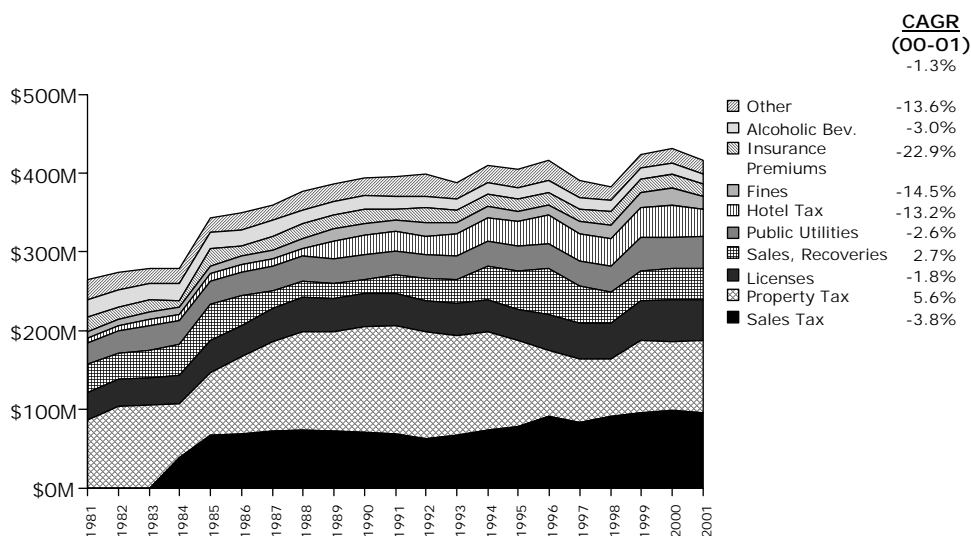
## 5. HISTORICAL TRENDS

To understand the longer-term drivers of the 2002 budget gap, the team reviewed various historical trends. In doing so, the team considered both actual expenditures and revenues as well as budgeted amounts. Each major budget area was reviewed for at least the prior five years. The individual components of revenues and expenses were assessed in addition to the cumulative changes in these broad categories.

### Actual Revenue and Expenditures

The City of Atlanta's General Fund revenue is derived from a variety of sources. The two largest portions of the revenue are sales taxes and property taxes. Figure 5-1 displays the City's General Fund revenue growth over the past twenty years, adjusted for inflation. Since 1991, General Fund revenue has been essentially flat. Importantly, revenues from 2000 to 2001 declined 1.3%, contributing to the budget gap.

**Figure 5-1: Inflation Adjusted General Fund Revenue**



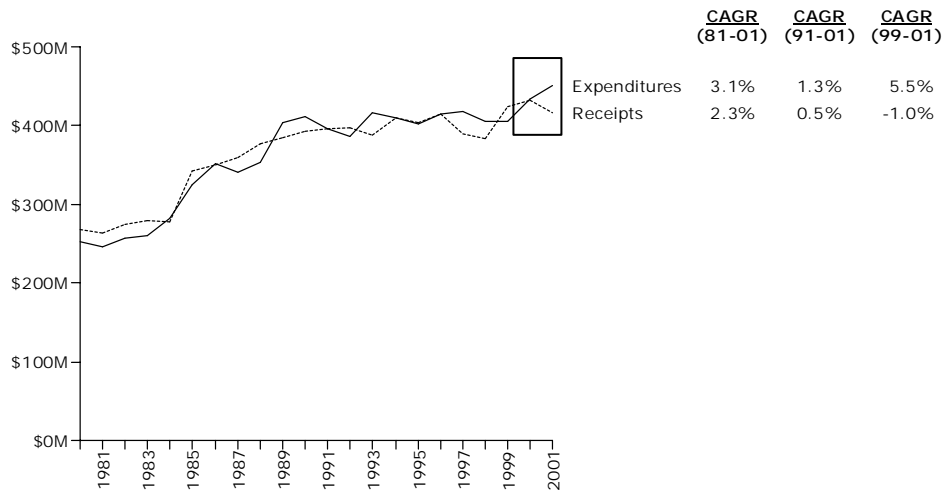
Note: Excludes Sanitation Services. Constant 2001 dollars.  
Source: City of Atlanta Budgets (1980-2002); WEFA

Increasing expenditures also contributed to the 2002 budget gap. After more than a decade of very low growth in inflation-adjusted expenditures, General Fund expenditures increased dramatically in 2000 and 2001. After adjusting for inflation, expenditures rose by \$46 million over that two-year period (5.5% CAGR) (Figure 5-2). Before adjusting for inflation, expenditures increased by an 8.1% CAGR or \$65 million. As can be seen in



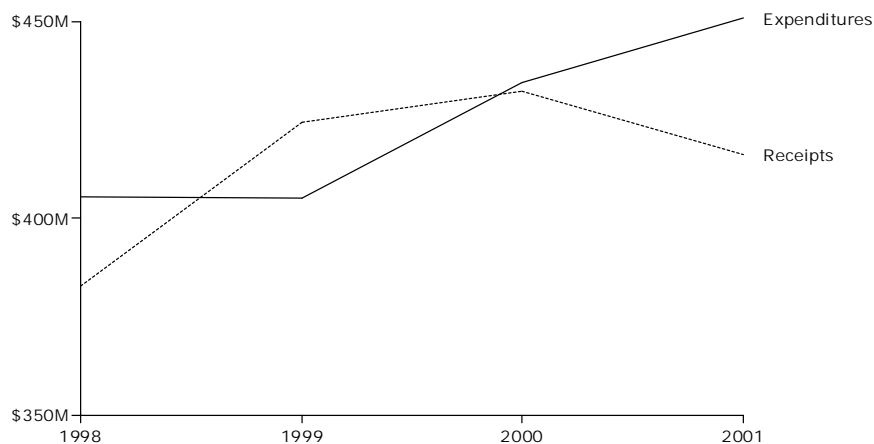
Figures 5-2 and 5-3, expenditures substantially outstripped revenue during this period.

**Figure 5-2: Inflation Adjusted General Fund**



Note: Excludes Sanitation Services. Constant 2001 dollars.  
Source: City of Atlanta Budgets (1980-2002); WEFA

**Figure 5-3: Inflation Adjusted General Fund (98-01)**



Note: Figures exclude Sanitation Services. Constant 2001 dollars.  
Source: City of Atlanta Budgets (1998-2001); WEFA

To understand the key areas that drove the expenditure increases, both departmental and cost center analyses were undertaken. Figures 5-4 and 5-5 display the results of this analysis.

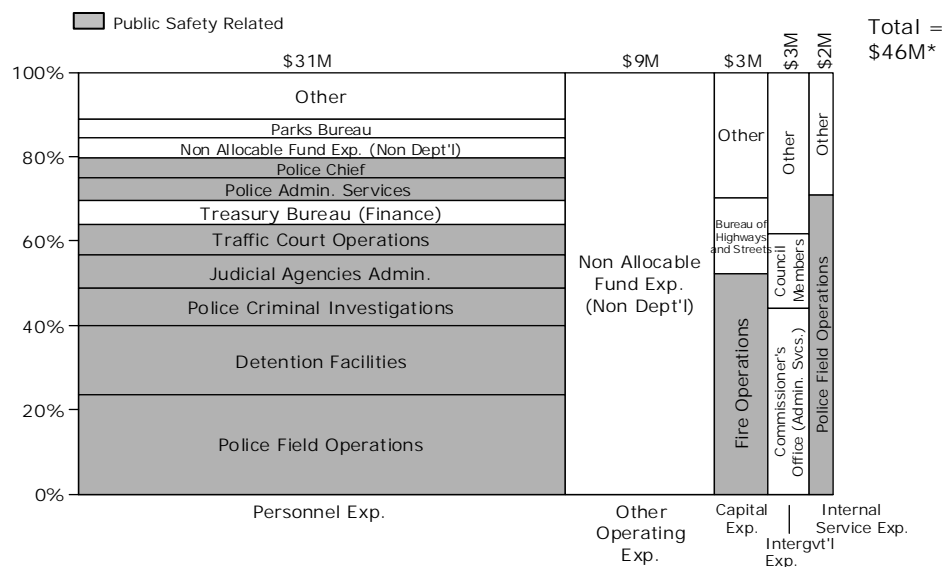
**Figure 5-4: Inflation Adjusted Actual Expenditures by Department**

Department	1999	2000	2001	Delta (99-01)	CAGR (99-01)
Police	\$106.8M	\$113.6M	\$122.1M	\$15.3M	6.9%
Non-Departmental	95.3	101.2	105.4	10.2	5.2%
Fire	54.6	58.4	56.1	1.5	1.4%
Corrections	29.0	32.7	33.9	4.9	8.1%
Judicial Agencies	21.5	25.2	29.9	8.4	17.9%
Parks, Recreation	24.0	24.3	26.4	2.4	4.9%
Public Works	27.1	28.9	26.2	-0.9	-1.6%
Planning & Development	10.5	11.3	11.8	1.3	6.1%
Administrative Services	10.2	9.9	10.8	0.7	3.3%
Finance	9.6	10.7	9.5	-0.1	-0.4%
Executive Offices	5.8	6.7	6.4	0.6	5.0%
City Council	3.7	4.1	4.7	1.0	12.7%
Personnel & HR	3.9	4.1	3.9	-0.02	-0.2%
Law	3.0	3.3	3.6	0.6	9.0%
<b>Total</b>	<b>\$404.9M</b>	<b>\$434.4M</b>	<b>\$450.8M</b>	<b>\$45.9M</b>	<b>5.5%</b>

Note: Excludes Sanitation Services.

Source: City of Atlanta Budgets (1999-2002); City Officials

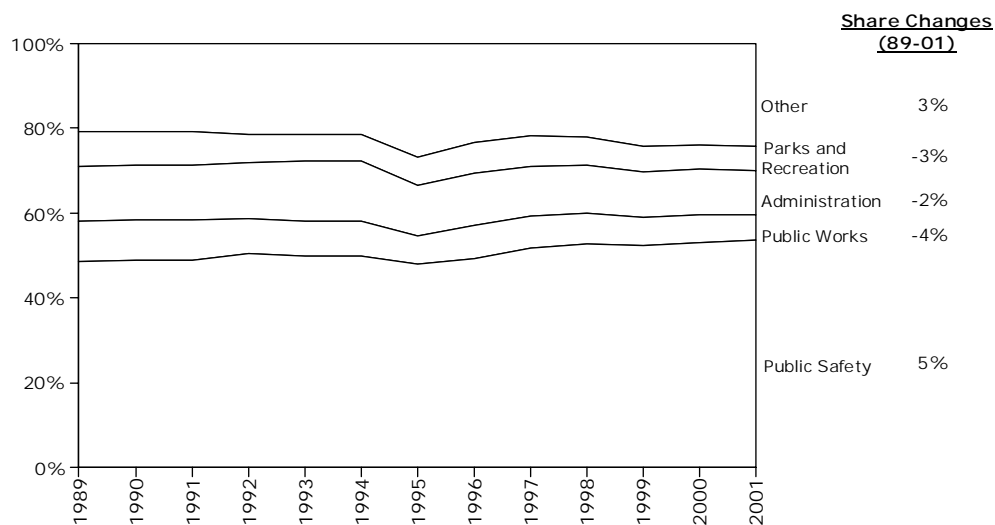
**Figure 5-5: Inflation Adjusted General Fund Expenditure Increases (99 – 01)**



Note: \*Total includes -\$1.6M of debt service expenses. Figures are in 2001 real dollars. Figures exclude Sanitary Services  
Source: Treasury Department

It is interesting to note that the 1999 to 2001 expenditure increase continues a long-standing trend within the City. Since at least the late 1980's, an increasing portion of the City's General Fund expenditures has been allocated to public safety-related spending including the Police Department, the Fire Department, Corrections and Judicial Agencies. Figure 5-6 displays the cumulative share gain during this period, expressed as a percentage of actual expenditures.

**Figure 5-6: General Fund Departmental Trend**

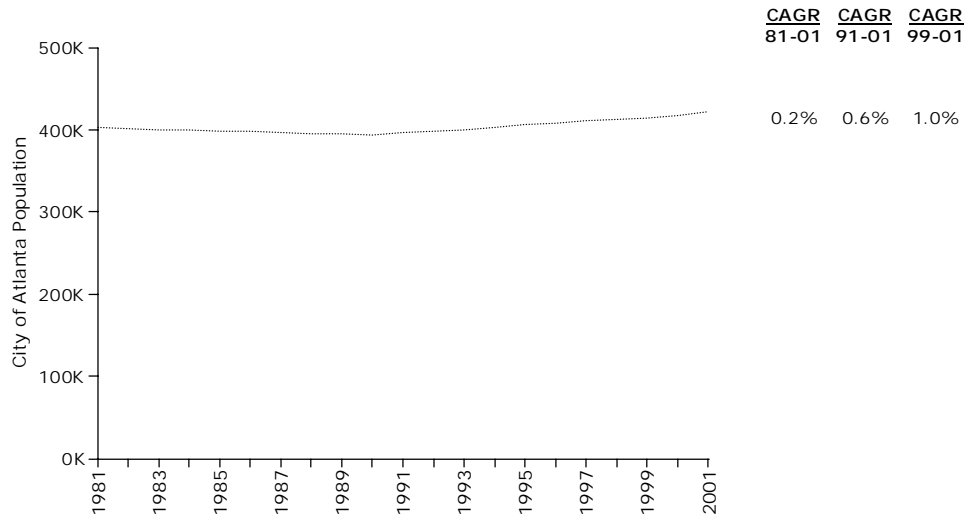


Note: Actual figures. Public Safety includes Police, Fire, Corrections, Judicial Agencies; Public Works does not include Sanitary Services; Administration includes all governmental bodies as well as administration expenses  
Source: City of Atlanta Budgets (1980-2002)

## Impact of Population

One potential driver of changes in revenue and expenditures is changing population. Figure 5-7 indicates the City's population changes since 1981.

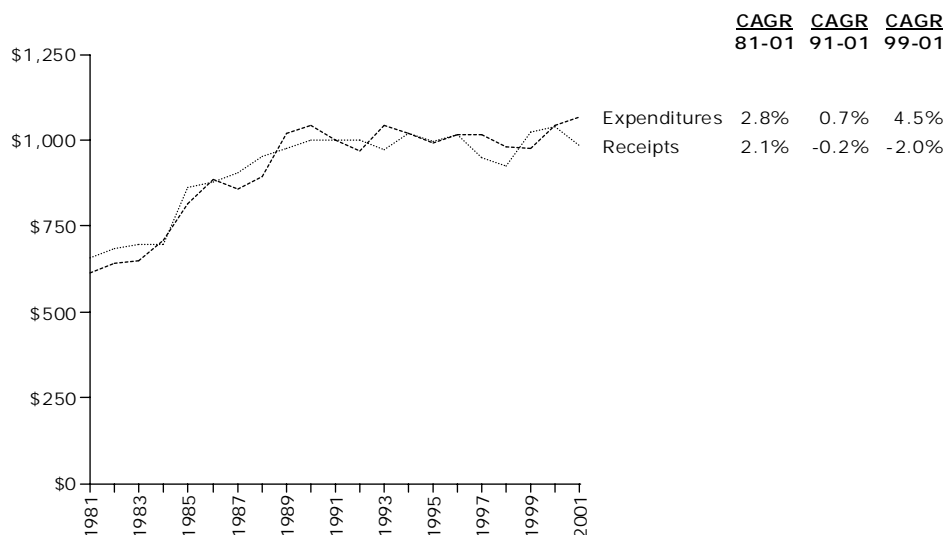
**Figure 5-7: City of Atlanta Population**



Source: US Census; Metro Atlanta Chamber of Commerce; City of Atlanta Budgets (1980-2002)

Considered on a per capita basis, the inflation adjusted revenue and expenditure increases from Figure 5-2 are reduced. The lower per capita inflation adjusted growth rates are displayed in Figure 5-8.

**Figure 5-8: Inflation Adjusted General Fund per Capita Trend**



Note: Figures exclude Sanitation Services. Constant 2001 dollars.

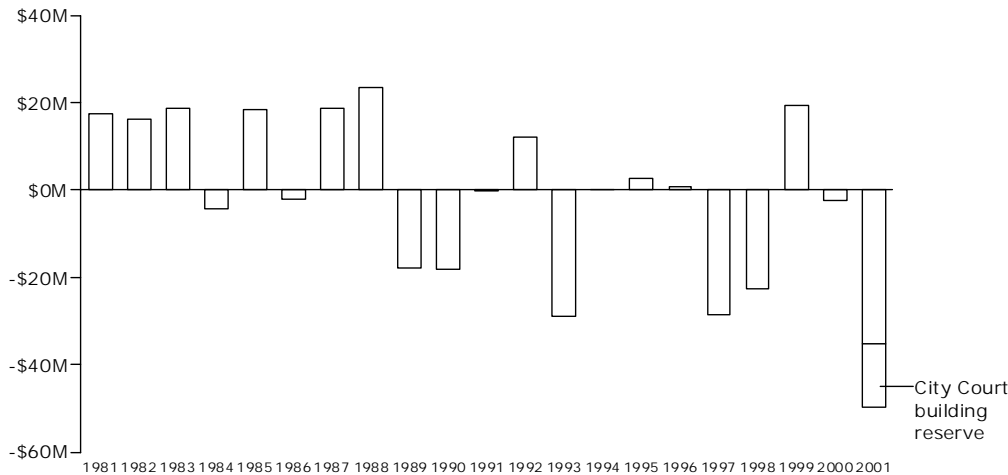
1989 to 1999 CAGR is -0.4% for expenditures and 0.5% for revenues.

Source: City of Atlanta Budgets (1980-2002); US Census; Metro Atlanta Chamber of Commerce

## **Operating Results**

Combining the effects of revenue and expenditure allowed the team to review the operating results of the City. Operating results can be defined as actual revenues minus actual expenditures. Since 1981, the City has experienced twelve years of positive operating results and nine years of negative operating results. Four of the past five years have had negative results, causing the City to use reserves to fund operating activity. Figure 5-9 displays these results on an inflation adjusted basis.

**Figure 5-9: Inflation Adjusted Operating Results**



Note: Includes City Court building reserve transfer (\$14.6M). Excludes Sanitary Services.  
Constant 2001 dollars.

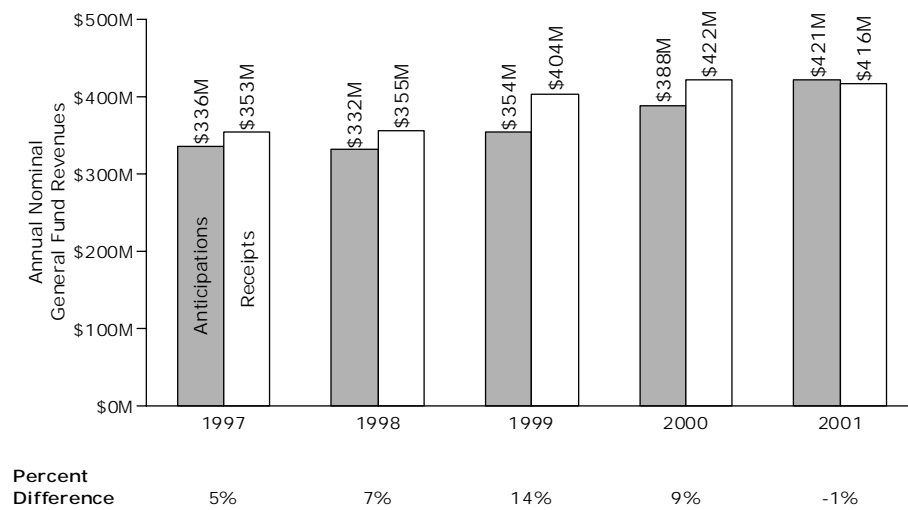
Source: City of Atlanta Budgets (1981-2002); 2001 Financials

### **Comparison to Budget**

To understand changes that were made to the City of Atlanta's budget in response to these trends, comparisons between actual and anticipated revenues and actual and budgeted expenditures were made.

Actual revenues have significantly exceeded budgeted revenues in four of the last five years, with 2001 providing the exception. The four years when actual revenues exceeded anticipated revenues were primarily attributable to the City's legal requirement precluding the budgeting of anticipations at a rate greater than 99% of the prior year actual amount (before tax increases or other revenue additions) and the strong economic growth of the time period up to 2001. Figure 5-10 displays the results of the revenue analysis, adjusted for inflation, including the variances between actual (receipts) and budgeted (anticipations) figures.

**Figure 5-10: Anticipated vs. Actual Revenue**

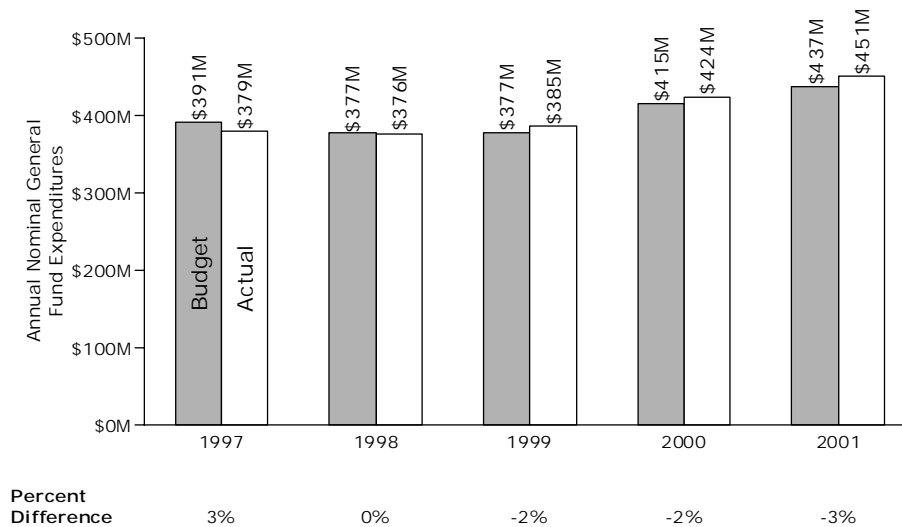


Note: Figures exclude Sanitation Services  
Source: City of Atlanta Budgets (1997-2001)



Actual expenditures were lower than budgeted expenditures in 1997 and 1998. Since 1999, actual expenditures have exceeded budgeted expenditures, as displayed in Figure 5-11.

**Figure 5-11: Budgeted vs. Actual Expenditures**



Note: Figures exclude appropriations payable figures and Sanitation Services expenses.  
Source: City of Atlanta Budgets (1997-2001)

While the historical trends described herein provide indicators of potential areas for improvement in the efficiency and effectiveness of the City of Atlanta operations, additional benchmarks are also useful. The next sections describe multiple benchmarks and points of comparison.

## **6. GENERAL BENCHMARKS**

### **Overview**

The objective of the benchmarking analysis was to compare Atlanta to other municipalities along the dimensions of expenditures and personnel employed. Particular attention was paid to the municipalities and the government activities chosen for comparison. Ultimately, no benchmark comparisons can exclude or adjust for all factors that may drive differences between municipalities. That said, such analyses provide useful points of reference for discussion. The benchmark comparisons included in this document focused on the resources required to perform both aggregate and common activities.

Two sets of data were used in benchmark comparisons to gain as broad of a perspective as possible. First, U.S. Census data for local government expenditures and personnel were considered. These data are based on the self-reporting of local governments with regard to their actual spending and personnel on various activities. The most recent available data (fiscal year 1998-1999 for expenditures, calendar year 2000 for personnel) were used for the U.S. Census analysis. Second, the approved 2001 budgets of various municipalities were compared.

It is important to note that the benchmark comparisons have been made prior to any expenditure or personnel changes made as the result of the City of Atlanta's 2002 Adopted Budget.

### **Summary**

Figure 6-1 provides an overview of the two methodologies employed. With each methodology, five steps were taken. These steps provide, to the extent possible in the 90-day timeframe of the project, for "apples-to-apples" comparison in that they focus the analysis to common governmental activities and adjust for city size.

**Figure 6-1: Benchmarking Approach**

	U.S. Census Data (Method A)	Municipal Budgets (Method B)
Specific sources:	<ul style="list-style-type: none"> <li>• State and Local               <ul style="list-style-type: none"> <li>- Government Finances</li> <li>- Employment and Payroll</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 2001 approved budgets</li> <li>• Supplemental data</li> <li>• Interviews with Municipal Finance Department analysts</li> </ul>
Steps:		
1. Select comparable cities	• 58 down to 22	• 22 down to 8
2. Review aggregate expenditures	• General expenditures	• General Fund expenditures
3. Adjust for common services	<ul style="list-style-type: none"> <li>• Remove activities               <ul style="list-style-type: none"> <li>- In less than 80% of cities</li> <li>- Not in Atlanta General Fund</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Remove departments not in six common categories and add non-General Fund spending</li> </ul>
4. Adjust to per capita output	—— Utilize 2000 U.S. Census population figures ——	
5. Analyze results	————— To be discussed —————	

Further description of the results follows, but Figure 6-2 summarizes the quantitative results of the analyses. This figure displays the results of both expenditure and personnel comparisons for the City of Atlanta relative to the average of the benchmark cities. The most relevant comparisons are adjusted expenditures per capita and adjusted personnel per 100K residents. Compared with similar cities for a common set of government functions, the City of Atlanta spends 2-4% more and employs 21-37% more personnel.

Figure 6-2: Summary of Statistics vs. Average of Peer Set

	Above / below average	
	Method A	Method B
Total expenditures	7%	3%
Adjusted expenditures	(17%)	(6%)
<b>Adjusted expenditures per capita</b>	<b>2%</b>	<b>4%</b>
Total personnel	(10%)	7%
Adjusted personnel	17%	9%
<b>Adjusted personnel per 100K residents</b>	<b>37%</b>	<b>21%</b>
Payroll as a % of expenditures	5% points	N/A
Monthly payroll per FTE	(16%)	N/A

The exact causes of the difference between slightly higher than average expenditures and significantly higher than average personnel cannot be ascertained at this time. There are at least four potential factors, any one or a combination of which could be causing the difference:

- Mix of personnel. The City of Atlanta may employ more personnel at lower pay grades than other cities. On a relative basis, the City may have less automation and may employ greater numbers of personnel to perform the same tasks as other cities.
- Outsourcing and privatization. Atlanta has not undertaken significant outsourcing or privatization of some central services functions such as information technology and motor transport services. With less outsourcing, Atlanta may have personnel on its payroll that are not on the payrolls of other cities.
- Lower pay for comparable positions. The City of Atlanta may pay its personnel less for the same types of work.
- Reporting by cities. Although the U.S. Census data is intended to represent actual personnel figures, some totals suggest that authorized positions were used instead. In particular, it appears that Atlanta's totals include authorized positions, potentially exaggerating the difference when using the U.S. Census data as a source.

### **Selection of municipalities for U.S. Census Bureau analysis (Method A)**

Benchmark cities were chosen based on both their populations and the size of the overall Metropolitan Statistical Area (MSA) in which the city resides.

The actual selection criteria used were as follows:

1. Select all U.S. cities with a population greater than 300K (58 remaining)
2. Of those, select cities in MSAs between 1.3M and 6.0M (29 remaining)
3. Of those, select cities with a population of less than 1.0M (24 remaining)
4. Of those, select cities that are the largest in their MSA (e.g., excludes Oakland in the San Francisco Bay Area) (22 remaining)

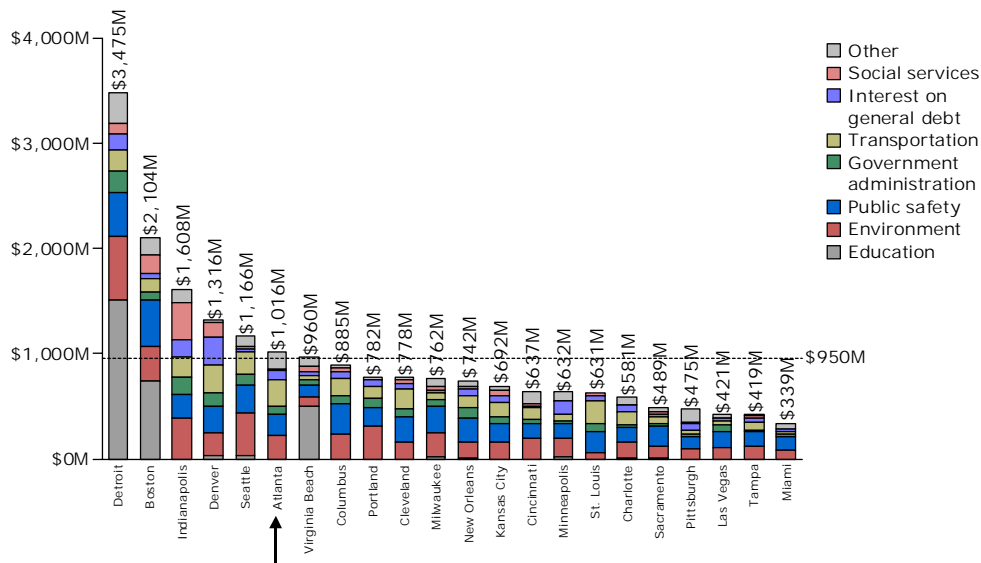
These 22 cities were included in the overall analysis.

Further statistical and demographic data on the compared municipalities can be found in the Appendix to this document. We note again relative to the statistics in the appendix that each municipality is unique, and comparisons across cities must be made with caution.

### **Research and analysis utilizing U.S. Census Bureau data (Method A)**

At slightly over \$1 billion, Atlanta's actual general expenditures were 7% above the average of \$950 million (Figure 6-3). Figure 6-4 indicates the general expenditures considered by the U.S. Census Bureau.

Figure 6-3: Actual General Expenditures (98-99)



Source: U.S. Census Bureau (State and Local Finances: 1998-99); U.S. Census 2000

Figure 6-4: Functions Included in General Expenditures

<b><u>Education</u></b> <ul style="list-style-type: none"> <li>•Elementary and secondary</li> <li>•Libraries</li> </ul>	<b><u>Social services</u></b> <ul style="list-style-type: none"> <li>•Public welfare</li> <li>•Hospitals</li> <li>•Health</li> </ul>	<b><u>Transportation</u></b> <ul style="list-style-type: none"> <li>•Highways</li> <li>•Air transportation</li> <li>•Parking</li> <li>•Other transportation</li> </ul>	<b><u>Public safety</u></b> <ul style="list-style-type: none"> <li>•Police protection</li> <li>•Fire protection</li> <li>•Corrections</li> <li>•Protective inspection and regulation</li> </ul>
<b><u>Environment</u></b> <ul style="list-style-type: none"> <li>•Natural resources</li> <li>•Sewerage</li> <li>•Solid waste management</li> <li>•Parks and recreation</li> <li>•Housing and community development</li> </ul>	<b><u>Government administration</u></b> <ul style="list-style-type: none"> <li>•Financial administration</li> <li>•Judicial and legal</li> <li>•General public buildings</li> <li>•Other government administration</li> </ul>	<b><u>Interest in general debt</u></b> <ul style="list-style-type: none"> <li>•N/A</li> </ul>	<b><u>Other and unallocable</u></b> <ul style="list-style-type: none"> <li>•N/A</li> </ul>

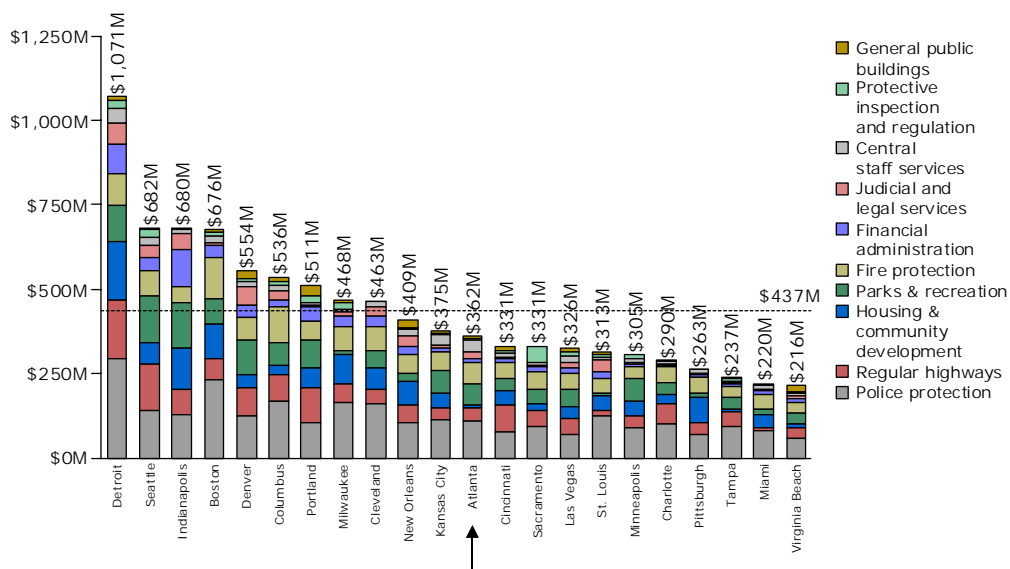
Included in general expenditures are a variety of activities that are not common across the municipalities. For example, elementary and secondary education are provided by some cities but not by others. To improve the quality of the comparisons, the adjustments described in Figure 6-5 were made. These adjustments provided a better basis by which to compare other cities to the City of Atlanta.

**Figure 6-5: Adjustments for Comparability**

Adjustment	Impact	
	Function	Activity
• Remove all activities covered in less than 80% of cities	• Education	• Elementary and secondary
	• Education	• Libraries
	• Social services	• Welfare
	• Social services	• Hospitals
	• Social services	• Health services
	• Transportation	• Air transportation
	• Transportation	• Other transportation
	• Public safety	• Corrections
	• Environment	• Natural resources
• Remove all activities not in Atlanta General Fund and pass-throughs to other agencies	• Transportation	• Parking facilities
	• Environment	• Sewerage
	• Environment	• Solid waste management
	• Interest on general debt	• N/A
	• Other and unallocable	• N/A

Following these adjustments, the City of Atlanta's actual adjusted general expenditures of \$362M fall 17% below the average of \$437M (Figure 6-6).

**Figure 6-6: Actual Adjusted General Expenditures (98-99)**

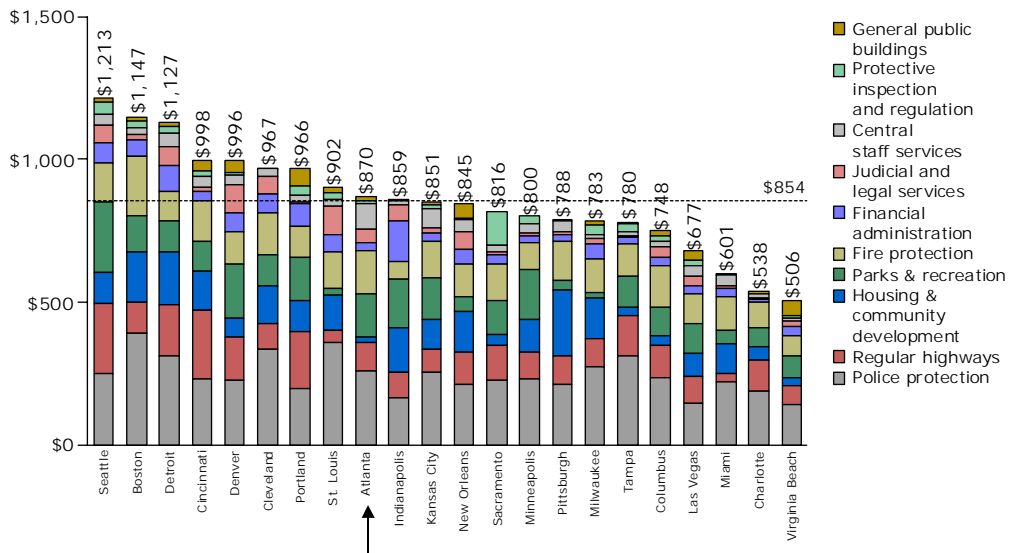


Source: U.S. Census Bureau (State and Local Finances: 1998-99)

Another factor that may drive differences across municipalities is the size of the cities. As cities become larger, greater expenditures are likely required. Figure 6-7 shows the results of the benchmarking after adjusting for population. After modifying for population, Atlanta's adjusted general expenditures of \$870 exceed by 2% the benchmark average of \$854. Note again that no adjustment has been made for commuter flows in and out of cities. The selection process for the comparison cities results in the average portion of the MSA included in the city being 23%. By comparison, the City of Atlanta is 10% of the Atlanta MSA.



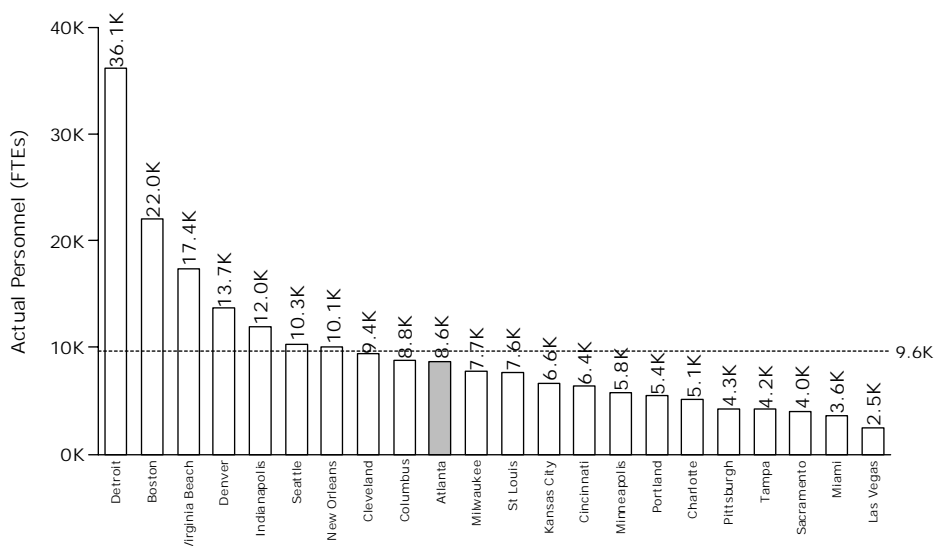
**Figure 6-7: Per Capita Actual Adjusted General Expenditures (98-99)**



Source: U.S. Census Bureau (State and Local Finances: 1998-99)

Another important benchmark metric is personnel employed. The City of Atlanta's total government personnel of 8,600 is 10% less than the reported average of the comparison set of 9,600 (Figure 6-8).

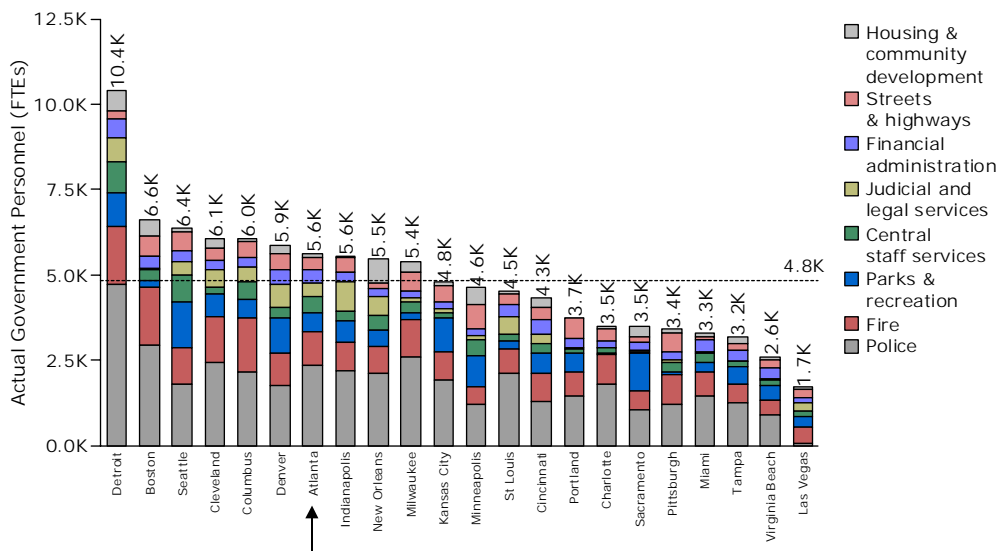
**Figure 6-8: Total Government Personnel (March 2000)**



Source: U.S. Census Bureau (Local Government Employment and Payroll – March 2000)

As with the previously described expenditure analysis, activities differ across municipalities. The U.S. Census Bureau does not use common descriptors across the expenditure and personnel data sets. Eight personnel areas were thus selected as the most comparable with the expenditure areas considered in the previous analysis. On this basis (displayed in Figure 6-9), Atlanta has 17% more personnel than the average of other municipalities.

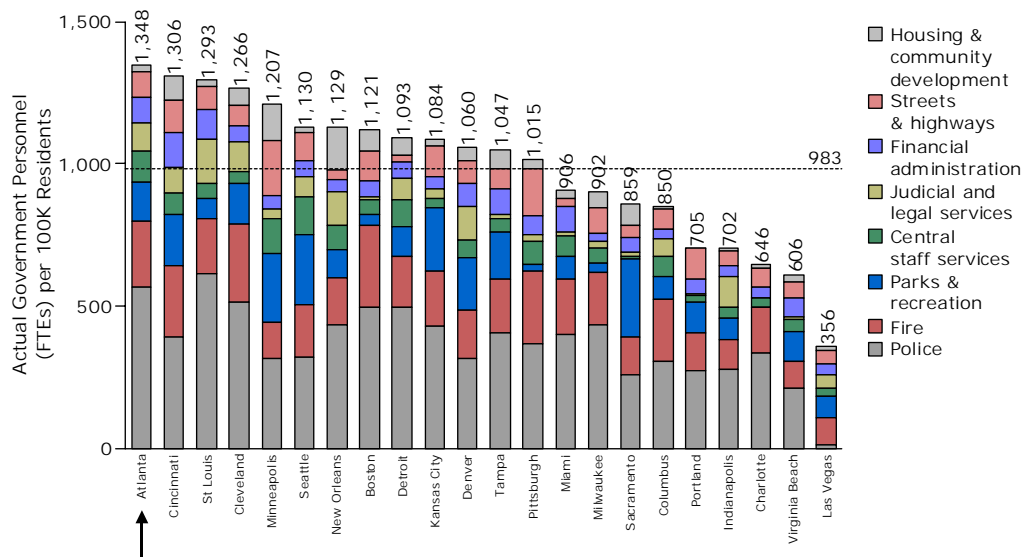
Figure 6-9: Adjusted Government Personnel (March 2000)



Source: U.S. Census Bureau (Local Government Employment and Payroll – March 2000)

Considering these same personnel totals based on the number of residents in the municipality, the City of Atlanta has 1,348 personnel per 100K residents versus 983 for the average of the benchmark sample (Figure 6-10). This amounts to 37% more personnel in the City than the average. Again the same cautions as described in the expenditure comparisons per capita apply to personnel comparisons per 100K residents.

**Figure 6-10: Adjusted Government Personnel per 100K Residents (March 2000)**



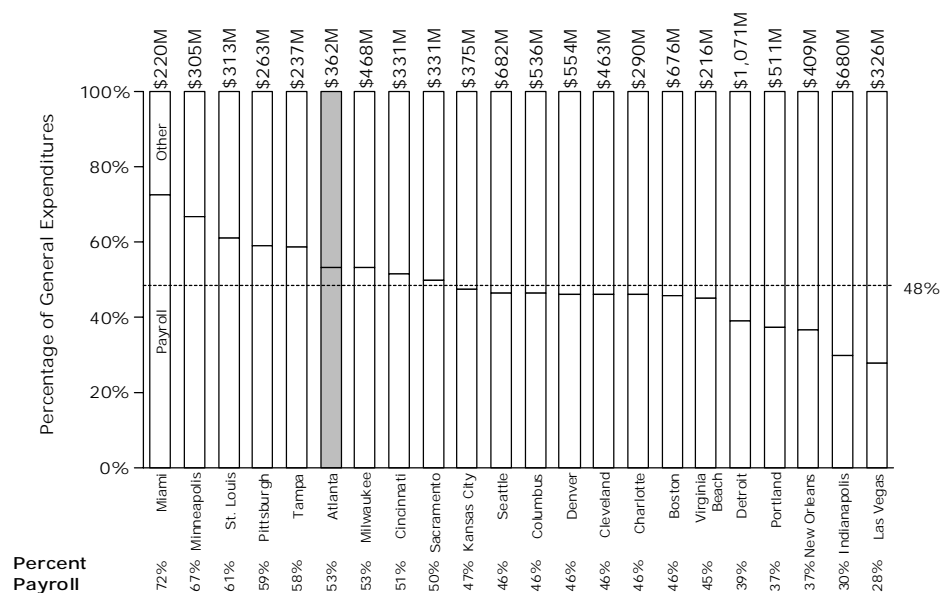
Source: U.S. Census Bureau (Local Government Employment and Payroll – March 2000); U.S. Census 2000

It should be noted that it appears that the City of Atlanta Census data for March 2000 contains authorized personnel. The U.S. Census data is intended to be actual personnel. If Atlanta does contain authorized personnel, actual personnel would be somewhat lower, reducing the deviation from the city averages. For the city budgets studied by the team, it does not appear that the same error was made for other cities.

Summarizing the findings from the U.S. Census Bureau analysis, the City of Atlanta spends 2% more and employs 37% more personnel for comparable activities on a population adjusted basis than comparable municipalities.

Figure 6-11 displays the portion of the municipal expenditures dedicate to payroll. Atlanta applies 5% points more of its expenditures to payroll than the comparison set.

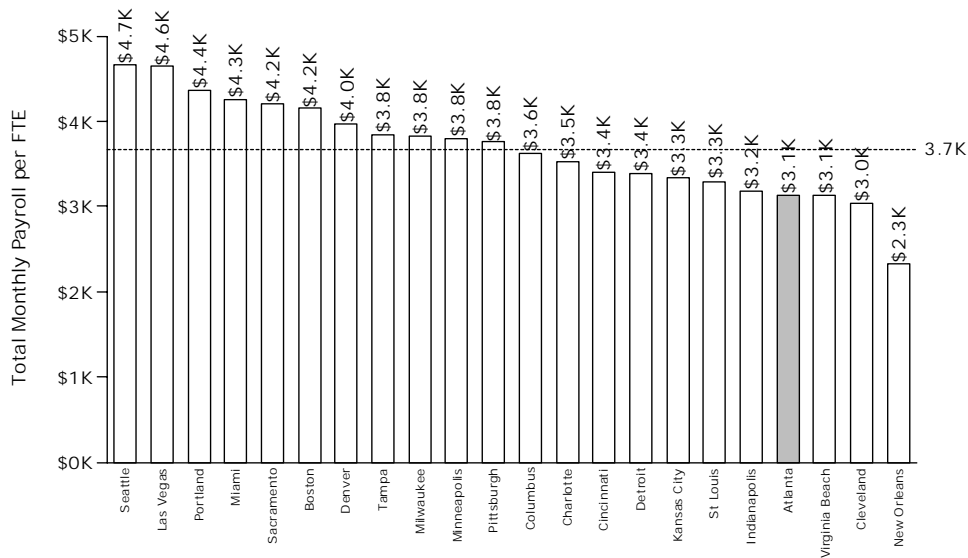
**Figure 6-11: Adjusted General Expenditures Payroll vs. Other Expenses**



Note: Payroll values are projected to full-year values from published data for March 1999  
Source: U.S. Census Bureau (Local Government Employment and Payroll – March 1999, State and Local Finances: 1998-99)

Figure 6-12 indicates that the City of Atlanta payroll per employee is 17% less than comparable cities. This comparison makes no adjustment for differences in cost of living or mix of pay grade types.

**Figure 6-12: Adjusted Total Monthly Payroll per FTE (March 2000)**



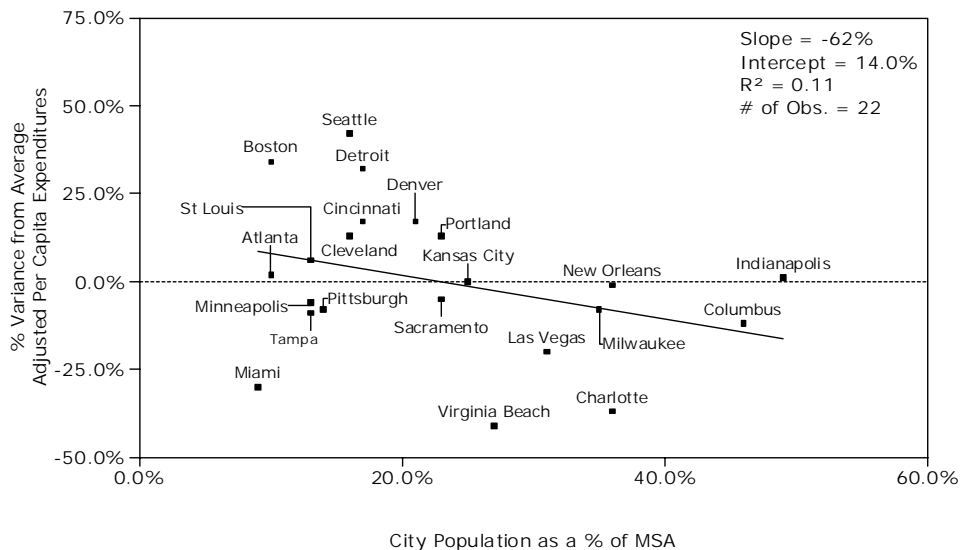
Source: U.S. Census Bureau (Local Government Employment and Payroll – March 2000)

### Impact of city population within MSA

As was described in the selection criteria, the various compared cities have populations that are differing percentages of their MSA populations. To test the impact that city population as a percentage of MSA population has on adjusted per capita expenditures and adjusted personnel per 100K residents, two regressions were run.

In the first regression (Figure 6-13), variance from the mean of adjusted expenditures per capita was not found to be correlated with city populations as a percentage of MSA populations ( $R^2 = 0.11$ , p-value = 0.123).

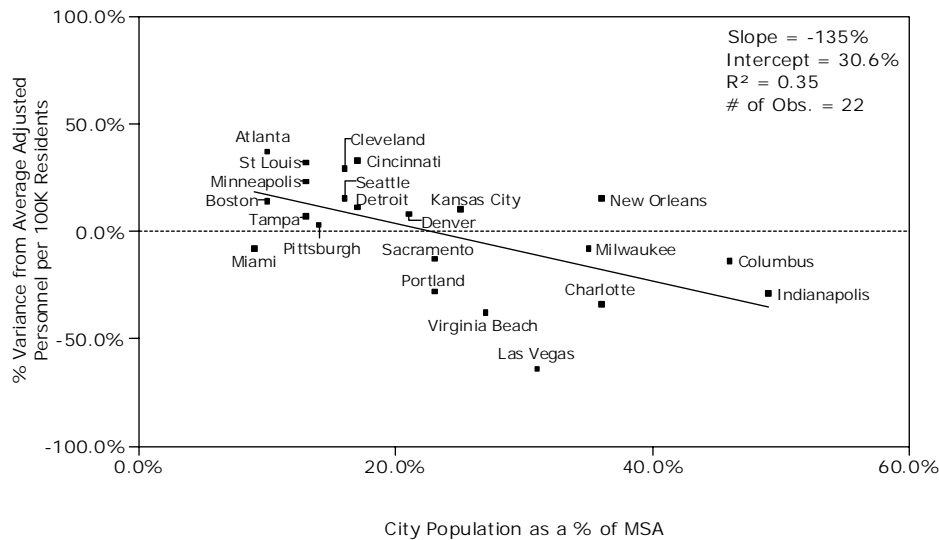
**Figure 6-13: Expenditure Variance vs. % MSA**



Source: U.S. Census Bureau (State and Local Finances: 1998-99)

The second regression (Figure 6-14) examined the relationships between variance from the mean of adjusted personnel per 100K residents. A potentially significant relationship was identified ( $R^2 = 0.35$ , p-value = 0.004). This result suggests that city population as a percentage of MSA population explains to some extent the variance in adjusted personnel per 100K residents. It should be noted that the presence of a correlation does not indicate a causal relationship.

**Figure 6-14: Personnel Variance vs. % MSA**



Source: U.S. Census Bureau (Local Government Employment and Payroll – March 2000)

### **Selection of municipalities for city budget analysis (Method B)**

As has been previously discussed, an alternative methodology to utilizing the U.S. Census Bureau data was employed. This methodology relies on the budgets of various municipalities. This alternative methodology improves on the U.S. Census data analysis, because the individual budget documents provided by each city give greater explanation of expenditures and allow for more accurate comparisons.

In total, budget comparisons were made between eight cities. These eight city budgets were selected from those of the 15 cities whose populations were most similar to Atlanta's.

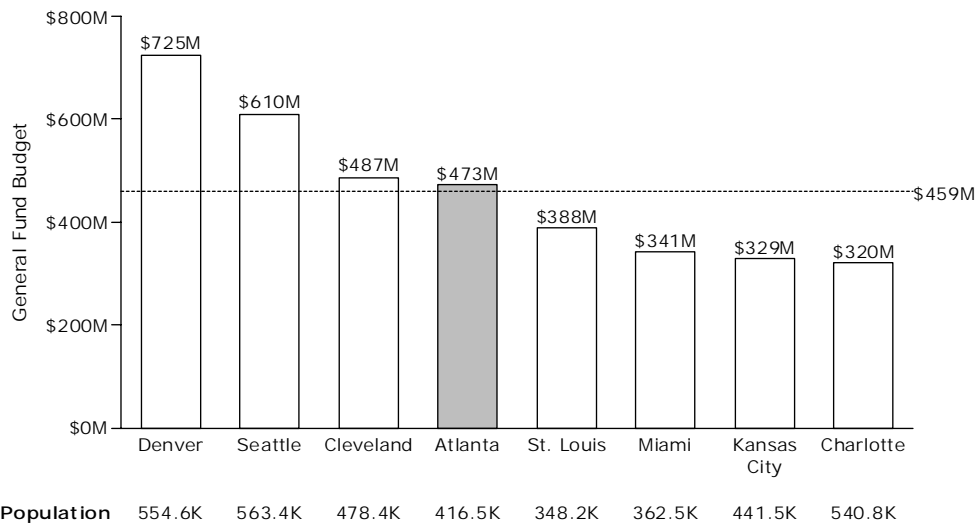
### **Research and analysis utilizing city budgets (Method B)**

Overall, the results of the city budget analysis are consistent with those described in the U.S. Census Bureau analysis, although the final figures differ.



In 2001, Atlanta's General Fund budgeted expenditures of \$473M exceeded by 3% the benchmark average of \$459M (Figure 6-15).

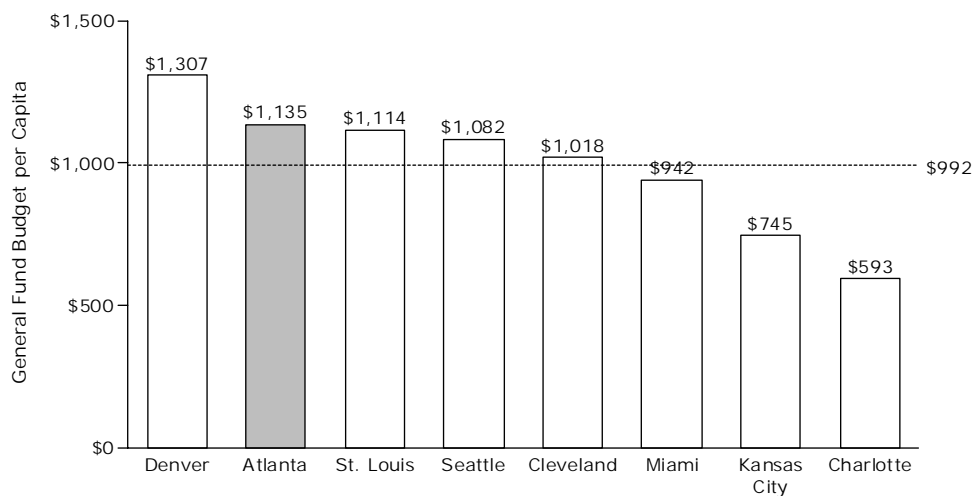
**Figure 6-15: 2001 General Fund Budgeted Expenditures**



Source: 2001 City Budgets, U.S. Census Bureau

However, the per capita General Fund expenses of \$1,135 significantly exceeded (by 14%) the average of \$992 (Figure 6-16).

**Figure 6-16: 2001 General Fund per Capita**



Source: 2001 City Budgets, U.S. Census Bureau

Municipalities include different activities in their General Funds. Furthermore, some cities fund core services from outside of their General Funds. To account for these two differences, the team performed a full review of all of the benchmark city budgets.

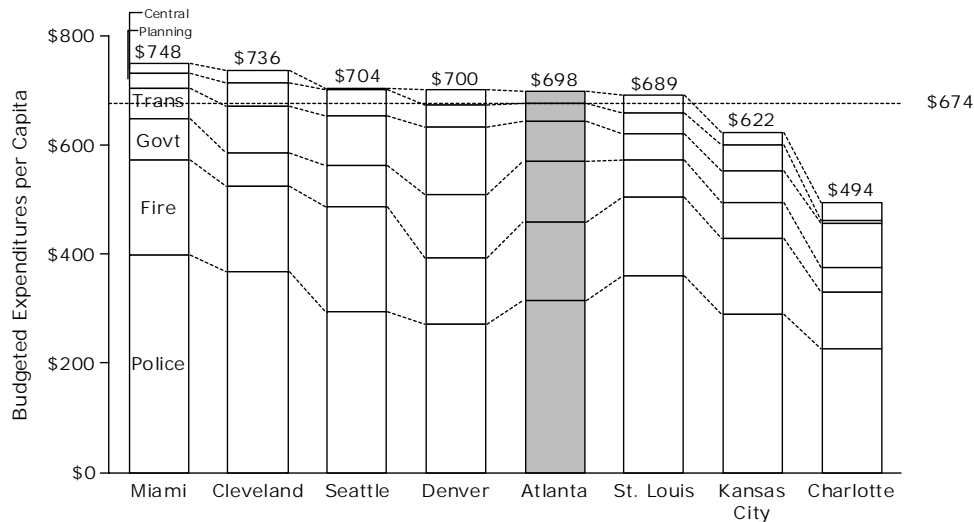
A common set of six activities across the cities was identified, and the budgeted expenditures for those were gathered from the various funds supporting the activities. Figure 6-17 displays the common services.

**Figure 6-17: Common Services Description**

<p>Police</p> <ul style="list-style-type: none"> <li>• General Fund Police Budget</li> <li>• Police Pension/Retirement (if separate)</li> </ul>	<p>Government</p> <ul style="list-style-type: none"> <li>• Executive Offices (includes Mayor, Mayor's Offices, COO/City Manager and Chief of Staff &amp; related offices)</li> <li>• Legislative (Council/Aldermen, City Clerk and legislative assistance)</li> <li>• Finance (includes financial mgmt, budget, accounts, auditor, etc.)</li> <li>• HR (Personnel, Civil Service, Labor Relations)</li> <li>• Law</li> </ul>	<p>Planning &amp; Comm. Development</p> <ul style="list-style-type: none"> <li>• General Fund Budget only</li> <li>• Urban/City Planning</li> <li>• Building Inspections</li> <li>• Housing &amp; Neighborhood Development</li> </ul>
<p>Fire</p> <ul style="list-style-type: none"> <li>• General Fund Fire Budget</li> <li>• Including Fire Department's portion of EMS</li> <li>• Fire Pension/Retirement (if separate)</li> </ul>	<p>Transportation</p> <ul style="list-style-type: none"> <li>• Street &amp; Road maintenance</li> <li>• Transportation infrastructure (Street lights, traffic signals, etc.)</li> <li>• Significant non-general fund funding</li> </ul>	<p>Central Services</p> <ul style="list-style-type: none"> <li>• Motor Transport</li> <li>• Information Technology</li> <li>• Building/Facilities Mgmt (including maintenance and utilities)</li> <li>• Central Admin Services (mail, supplies, purchasing, telephone)</li> </ul>

After adjusting for common services, Atlanta's budgeted operating expenditures per capita for adjusted common services exceeded by 4% the average of \$674 (Figure 6-18).

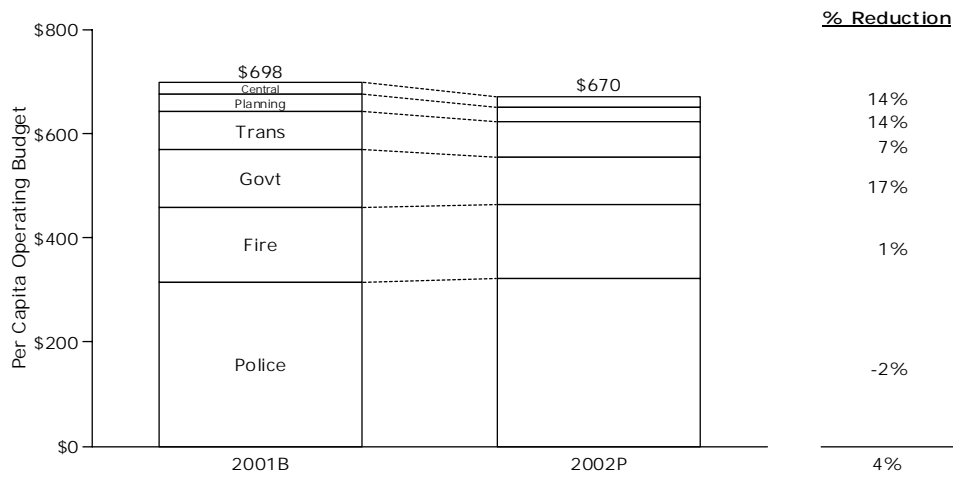
**Figure 6-18: 2001 Budgeted Operating Expenditures per Capita (Adjusted Common Services)**



Source: 2001 City Budgets, Charlotte FY2001 Cost Allocation Report, St. Louis 2001 Cost Allocation Plan, U.S. Census Bureau, City budget analyst and other employee interviews

As part of the development of the 2002 Approved Budget, expenditure reductions were made in the City of Atlanta. These reduce by 4% the city's budgeted expenditures (Figure 6-19). If none of the benchmark cities reduce their budgeted expenditures for 2002, Atlanta would have 0% variance from the revised average of the comparison cities based on these reductions. From discussions with budget analysts in the benchmark cities, other municipalities were not facing budget situations as severe as Atlanta's. Therefore, the benchmark cities' reductions were expected to be smaller than Atlanta's reductions.

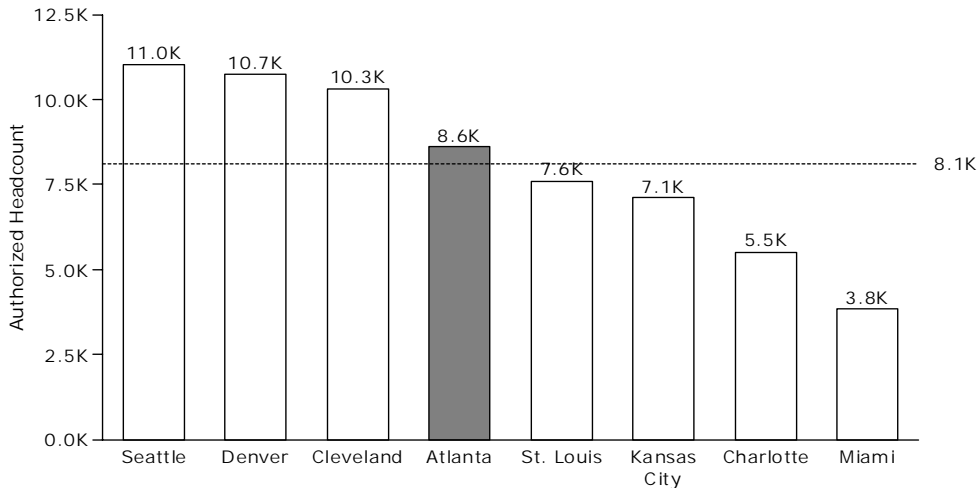
**Figure 6-19: Per Capita Operating Budget Comparison**



Source: City of Atlanta 2001 Budget, 2002 Substitute Budget Ordinance,  
City of Atlanta Finance Department

Similar to the analysis performed under Method A, comparisons of personnel can be made using the budget data. Per this analysis, authorized City government headcount in all funds is 6% greater than the average of 8.1K (Figure 6-20)

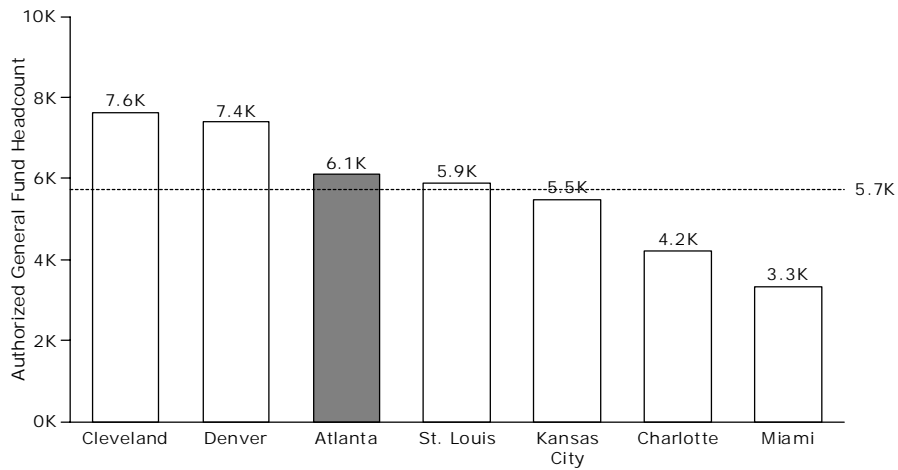
**Figure 6-20: 2001 Authorized City Government Headcount (All Funds)**



Source: 2001 City Budgets, U.S. Census Bureau

In comparing only General Fund headcount, the City of Atlanta exceeds the benchmark average by 7% (Figure 6-21), while authorized headcount for adjusted common services exceeds the average by 9% (Figure 6-22).

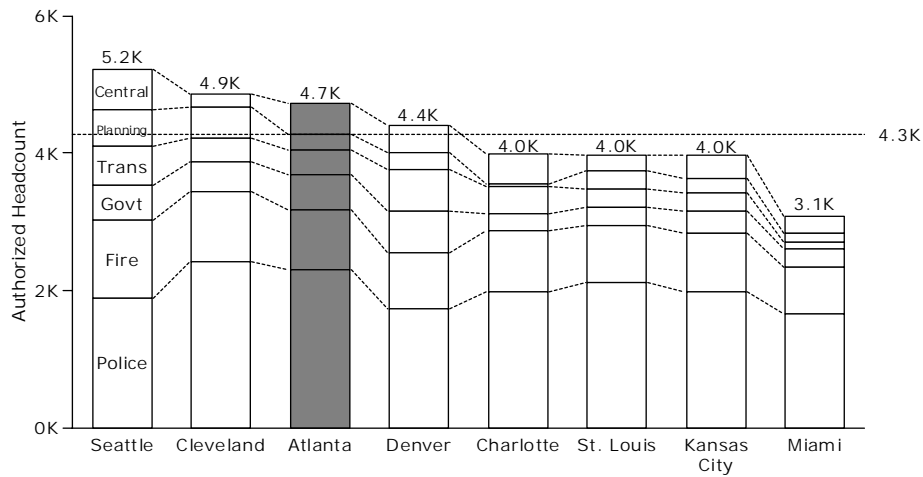
**Figure 6-21: 2001 Authorized General Fund Headcount**



Note: General Fund employee count was not available in Seattle budget.

Source: 2001 City Budgets, DPHR Vacant & Filled Position Report (11/16/01), U.S. Census Bureau

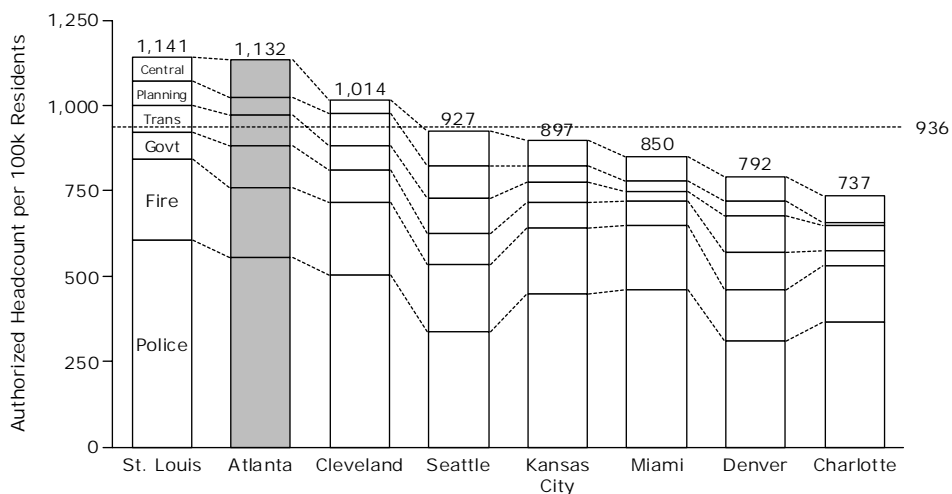
**Figure 6-22: 2001 Authorized Headcount (Adjusted Common Services)**



Source: 2001 City Budgets, Atlanta DPHR Vacant & Filled Position Report (11/16/01), U.S. Census Bureau, City budget analyst and other employee interviews

For these common activities, authorized personnel per 100K residents for the City of Atlanta exceeded the average of the compared cities by 21% (1,132 versus 936) (Figure 6-23).

**Figure 6-23: 2001 Authorized Personnel per 100K Residents (Adjusted Common Services)**

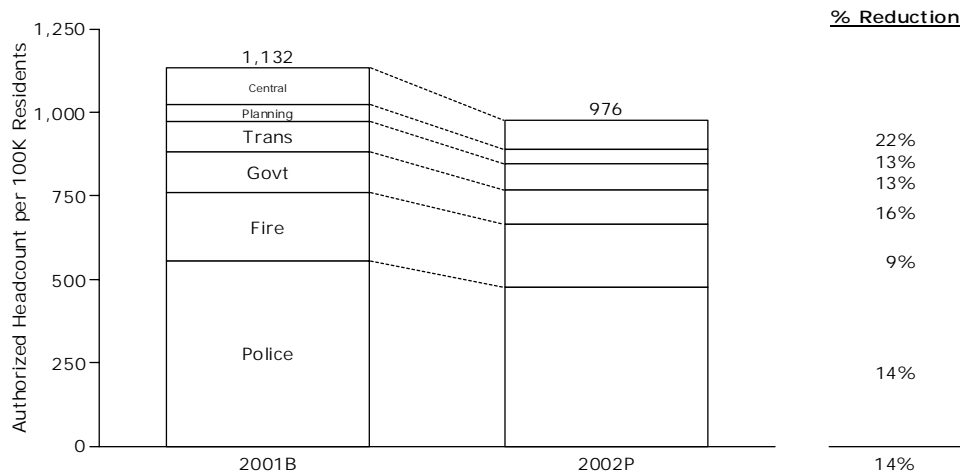


Source: 2001 City Budgets, Atlanta DPHR Vacant & Filled Position Report (11/16/01), U.S. Census Bureau, City budget analyst and other employee interviews

The City of Atlanta authorized personnel per 100K residents under the 2001 budget was 1,132, however the 2002 Adopted Budget is only 976, a 14% reduction in headcount. If none of the benchmark cities reduce their budgeted personnel for 2002, Atlanta would have 6% variance from the revised average of the comparison cities based on these reductions (Figure 6-24).



**Figure 6-24: Authorized Personnel Comparison**



Note: Adjusted authorized personnel in 2001 was 4,715 and 2001 was 4,063. General and internal authorized personnel in 2001 was 5,719 and in 2002 was 4,884.  
 Source: DPHR Vacant & Filled Position Summary (11/16/01), 2002 Budget Personnel Ordinance, City of Atlanta Finance Department; 2002 Budget Personnel Ordinance

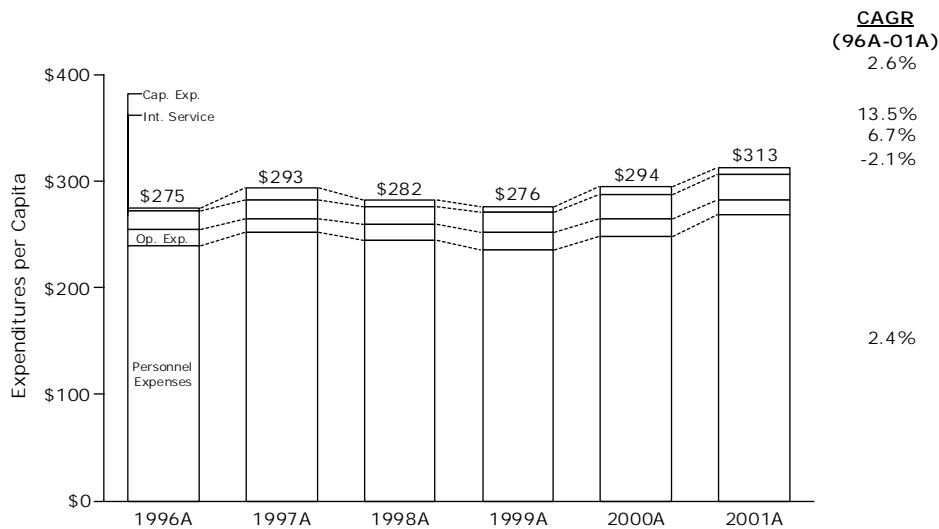
## **7. DEPARTMENT BENCHMARKS**

In addition to assessing general benchmarks, benchmarks for three specific departments were developed: the Police Department, the Fire Department and Public Works.

### **Police**

Atlanta Police Department (APD) per capita expenditures have increased slightly since 1996 at a compound inflation adjusted annual growth rate of 2.6% (Figure 7-1). In contrast, APD personnel have increased at a rate of 0.4% (Figure 7-2).

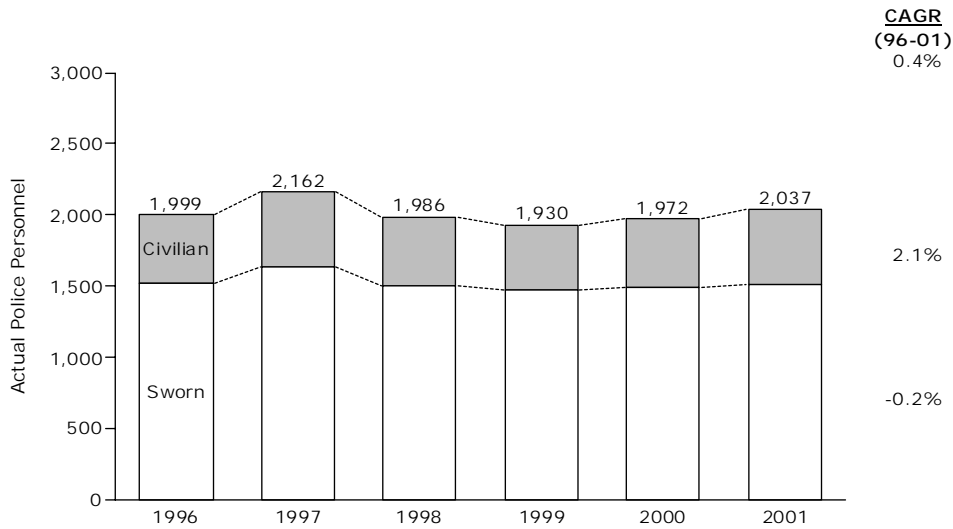
**Figure 7-1: Inflation Adjusted APD Expenditures per Capita**



Note: Real figures in 2001 dollars. Airport Police are included.

Source: Atlanta City Budgets (1997-2002), City of Atlanta Department of Finance

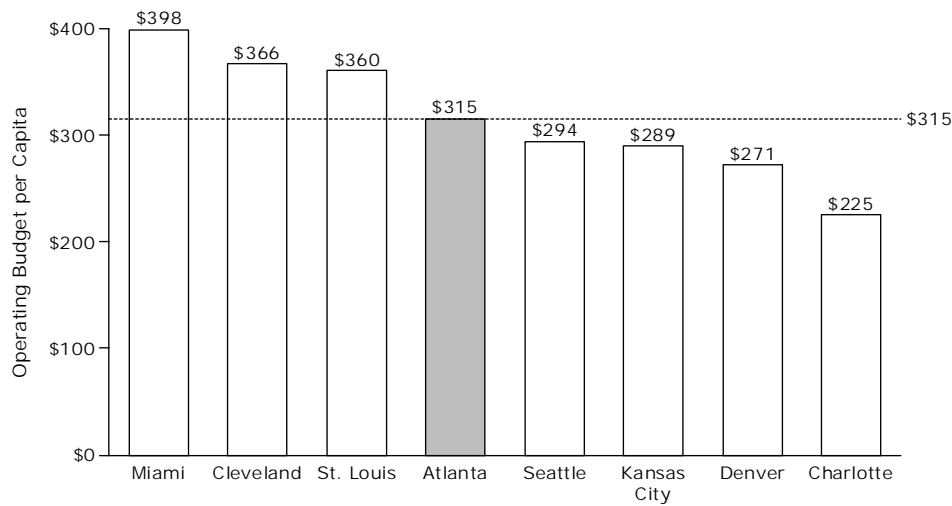
**Figure 7-2: APD Personnel**



Source: Atlanta Police Department

Utilizing the city budget benchmark comparisons previously discussed, Atlanta's police budget per capita of \$315 is on par with the benchmark average (Figure 7-3). The actual police personnel per 100K residents exceeds the average by 5.5%, according to FBI data (Figure 7-4).

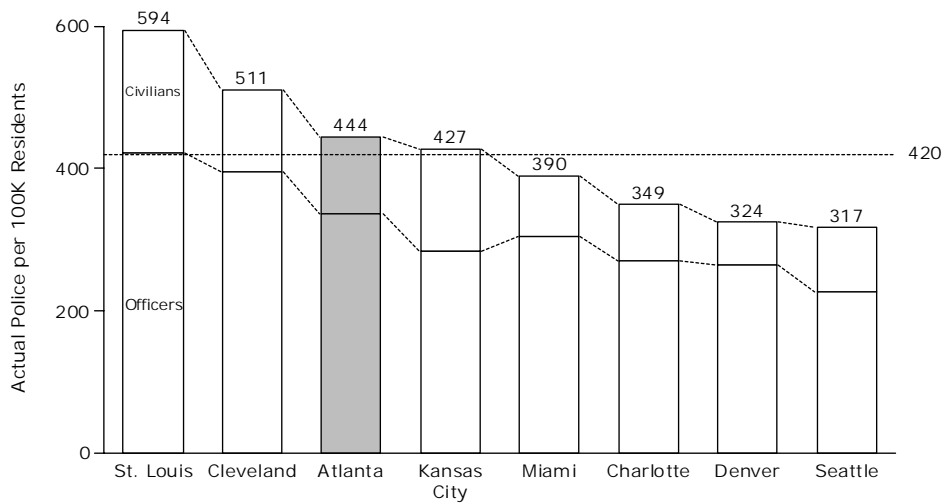
**Figure 7-3: Police Budget per Capita**



Note: Airport Police Budget is excluded

Source: 2001 City Budgets, Charlotte FY2001 Cost Allocation Report, St. Louis 2001 Cost Allocation Plan, U.S. Census Bureau, City budget analyst and other employee interviews

**Figure 7-4: Police Department Personnel (FBI Reported)**

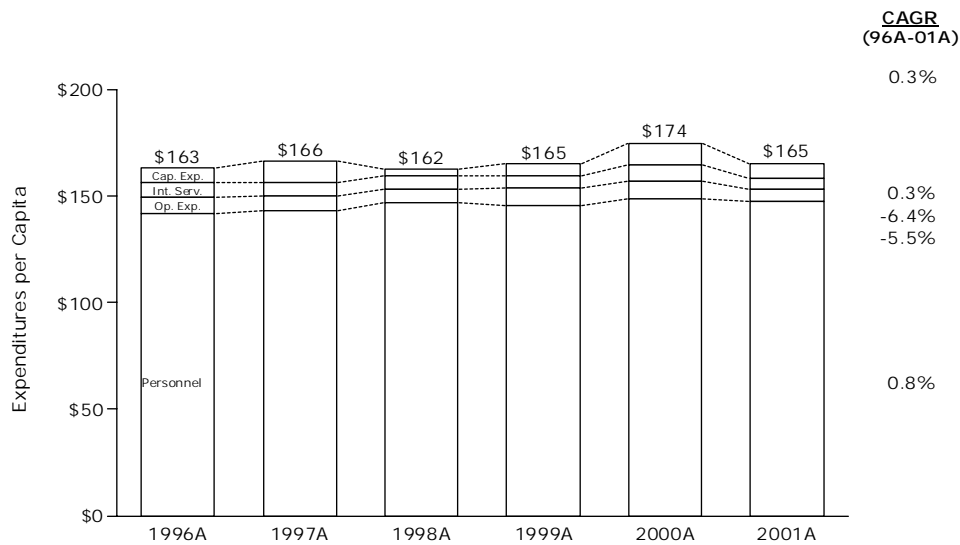


Source: FBI, Crime in the United States (2000), U.S. Census Bureau

## Fire

Atlanta Fire Department (AFD) inflation adjusted expenditures per capita have remained flat over the last few years (0.3% annual growth) (Figure 7-5). Similarly, AFD actual personnel have decreased by 0.2% annually since 1996 (Figure 7-6).

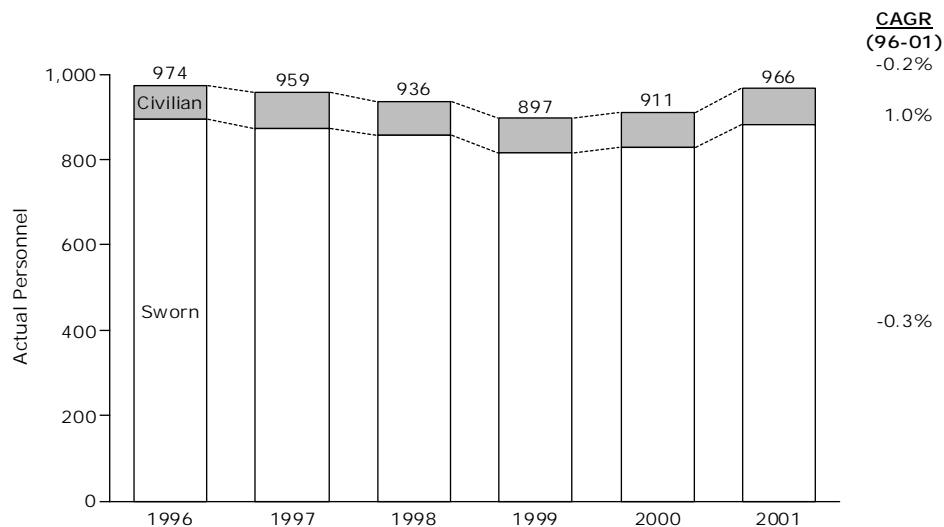
Figure 7-5: Inflation Adjusted AFD Expenditures per Capita



Note: Real figures in 2001 dollars. Airport Fire Services are included.

Source: Atlanta City Budgets (1997-2002), City of Atlanta Department of Finance

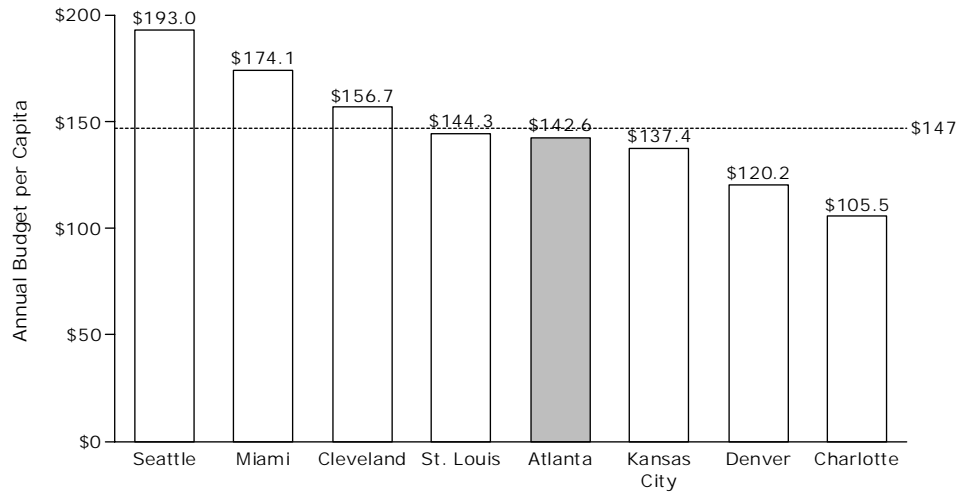
**Figure 7-6: AFD Actual Personnel**



Note: Airport Fire Services are included.  
 Source: Atlanta Fire Department

The AFD budget per capita was 3% lower than the benchmark average (Figure 7-7). AFD authorized personnel per 100K residents exceeded the benchmark average by 6% (Figure 7-8).

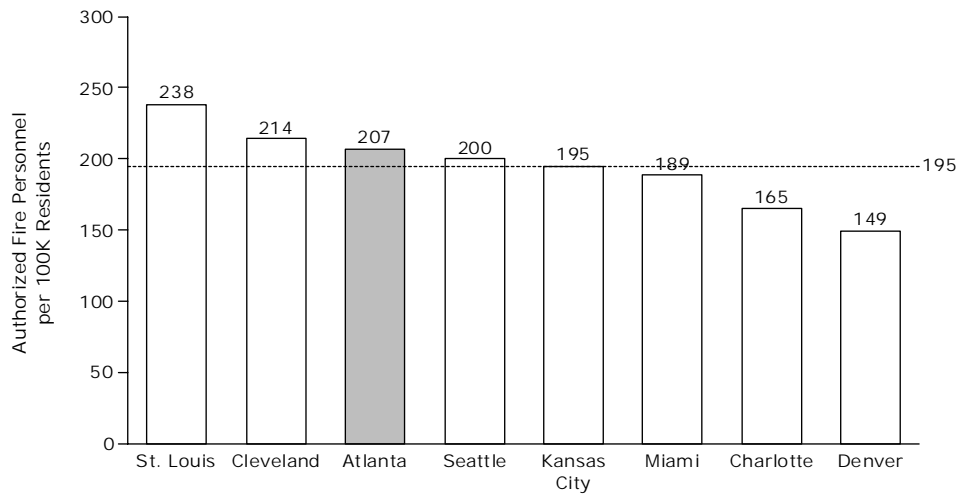
**Figure 7-7: Annual Fire Department Budget per Capita**



Note: Airport Fire Budget is excluded

Source: 2001 City Budgets, Charlotte FY2001 Cost Allocation Report, St. Louis 2001 Cost Allocation Plan, U.S. Census Bureau, City budget analyst and other employee interviews

**Figure 7-8: Fire Department Personnel**



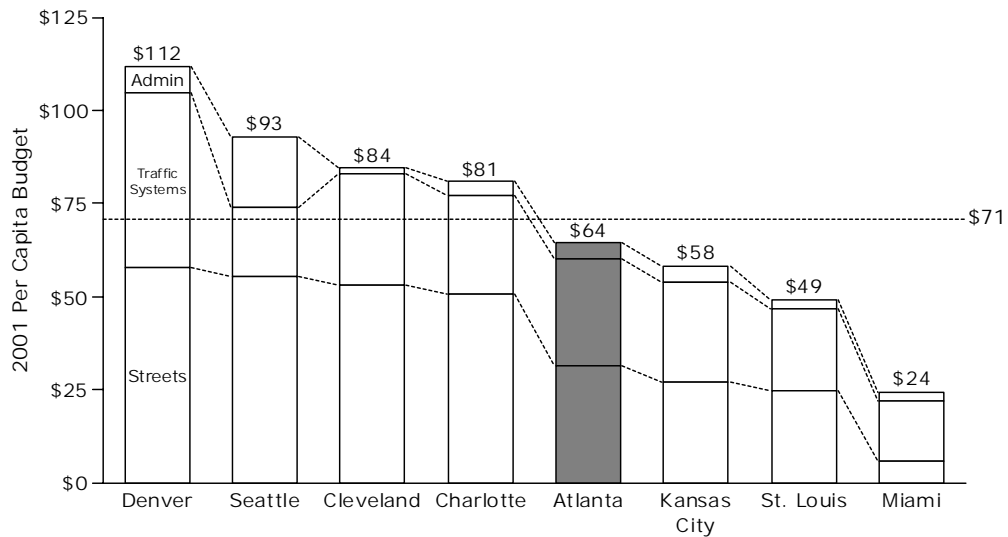
Note: Airport Fire Personnel are excluded

Source: 2001 City Budgets, U.S. Census Bureau

## Public Works

The City of Atlanta Public Works department has budgeted expenditures per 100K residents that are 10% lower than those of the comparable cities considered in the General Benchmarks section of this report (Figure 7-9).

**Figure 7-9: Public Works Budgeted Expenditures per Capita**

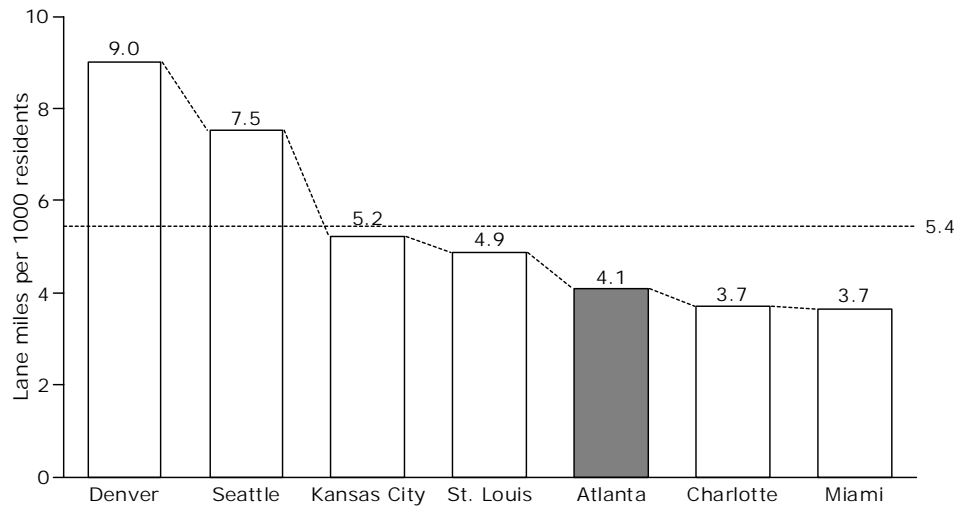


Note: Based on 2001 Budget amounts; Does not include Sewer Operations, Sanitary Services, and Wastewater Services  
Sources: City budget documents, U.S. Census 2000



Across the cities where figures were available, Atlanta has 24% fewer lane miles per 1000 residents than the average of the comparable cities (Figure 7-10).

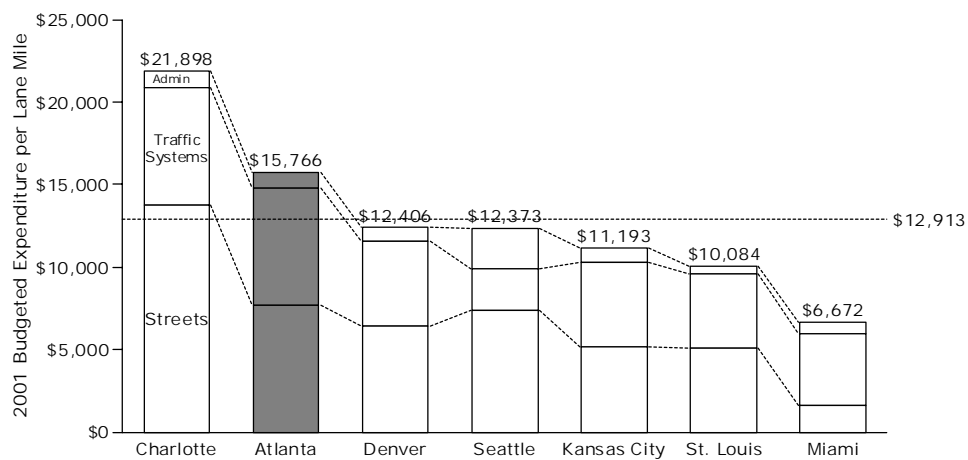
**Figure 7-10: Lane Miles per 1,000 Residents**



Source: City Documents; U.S. Census 2000

Considering budgeted expenditure per lane mile, Atlanta is 22% higher than the compared municipalities (Figure 7-11).

**Figure 7-11: Budgeted Expenditures per Lane Mile**



Note: Based on 2001 Budget amounts; Does not include Sewer Operations, Sanitary Services, and Wastewater Services  
Source: City budget documents, U.S. Census 2000

## **8. BUDGET DEVELOPMENT**

### **Overview**

In the course of working through the City of Atlanta's budget development cycle for 2002, the Bain team has noted several potential areas for improvement.

The comments included in this document regarding the budget development activities should not be construed as the result of a comprehensive financial audit. These are the team's suggestions based on observations, comparisons to work done for corporate clients and comparisons made to other municipalities.

Ultimately it will be the responsibility of the Mayor, the City's Chief Financial Officer, the City Council's Finance Committee and the City Council to consider these suggested areas for improvement and make modifications as appropriate.

### **Suggestions**

Observations included in this section fall into three areas: the content of the budget documents themselves, the process used to develop the budget and the tools employed in that process.

#### **Content of budget documents**

Observation 1: Cost centers do not reflect actual activities or costs

Within the City's budget, there may be one to many detailed cost centers within each department or agency. Over time, the line items associated with cost center budget figures appear to have become disconnected from what is actually being spent. While the aggregate department budgets may be in-line, a recalibration of cost center budgets may be valuable. This may be undertaken as a one-time effort.

Observation 2: Published documents lack trends and explanations of program changes

Compared with the budgets of other municipalities, the City of Atlanta's budget document contains less useful information for the general public. Specific suggestions for improvement include providing aggregate trend data (e.g., General Fund expenditures per capita) and providing a more detailed explanation of the program changes made for each department as part of the budget process.

Observation 3: Published documents are difficult to access

Most other cities that the team studied displayed their final budget documents on the Internet. Doing so increases the access that the general public has to the budget materials.

Observation 4: Published documents do not clearly link expenditures to outcomes or other key metrics

While the budget describes expenditures broken out by department / agency and line item, there is little mention of operating metrics and objectives associated with these expenditures.

### **Budget process**

Observation 5: There is a lack of visibility with regard to expenses beyond the current year

As it stands, future expenditures are projected only for the current year. For example, increases in personnel costs are tracked for the current year but not into subsequent years. To be able to identify impending mismatches between available funds and expenditures, there likely would be value in projecting expenditures for three years. In previous years, a three-year expenditure forecast has been prepared for the City of Atlanta.

Observation 6: Revenue forecasting does not take advantage of statistical projections based on economic indicators

Many cities employ statistical models with economic indicators as inputs to project revenue, both in-year and for future years. Such models are used in conjunction with internal tracking of actual receipts to form consensus revenue estimates.

Observation 7: Department and agency managers lack in-year visibility to spending versus budget

Although various reports already exist, City of Atlanta department and agency heads would benefit from increased access to simple, digestible summaries of the financial performance of their areas of responsibility on a month-by-month basis. Providing access to existing reports may be the highest leveraged activity.

Observation 8: City budget analysts are not as closely linked with the development of departmental budgets as might be possible

Under the current processes, the Finance Department's budget analysts are typically not as heavily involved in helping the departments and agencies develop their budget submissions as might be possible. As such, the analysts are limited in their ability to add value to the submissions.

Observation 9: Department and agency budget submissions contain inconsistent detail, making comparisons difficult

After reviewing the submissions of many of the departments and agencies, the team observed tremendous variation in the materials that the documents include. Standards should be set and enforced to ensure that critical information is communicated and that unnecessary work is avoided.

### **Tools**

Observation 10: The personnel data required for the budget process is cumbersome to use

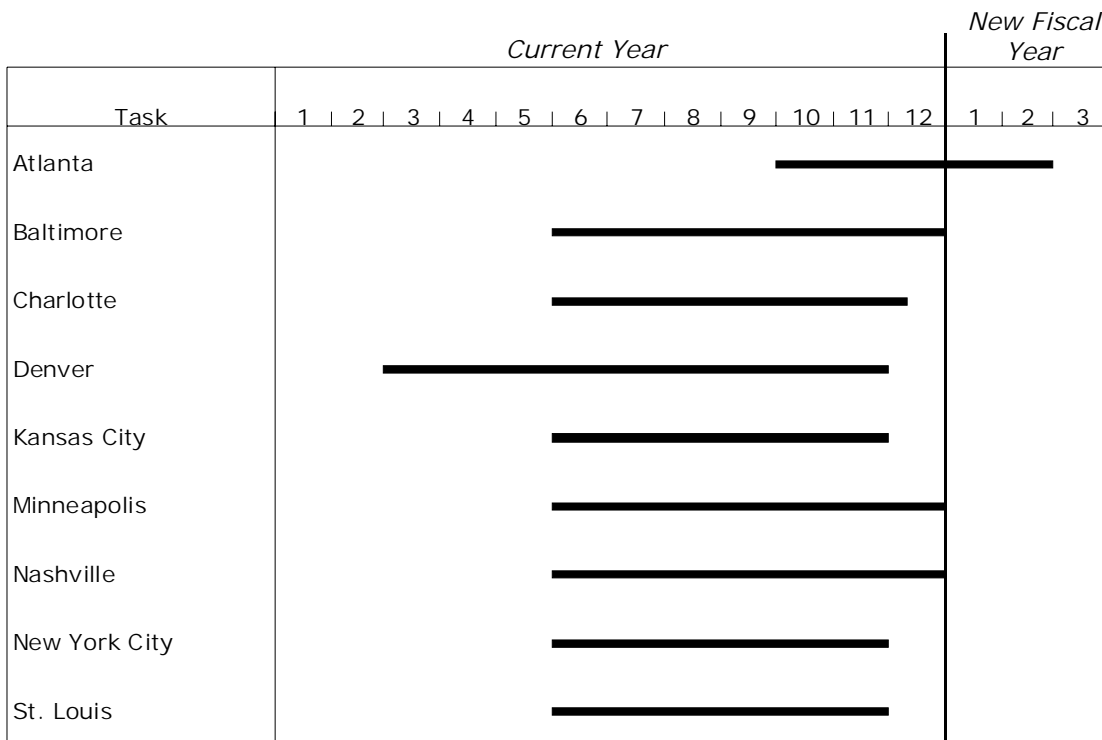
Currently, the personnel system (PeopleSoft) is manually reconciled with the financial system. While there are control benefits to this manual reconciliation, the reports used to do so can be inaccurate. Multiple hand counts of employees are necessary, increasing the likelihood of errors in the budget document.

### **Timing of budget process**

Based on comparisons the budget cycles used by other municipalities (Figure 8-1), two observations can be made:

- The City of Atlanta's budget cycle occurs over a shorter period of time.
- The City's budget cycle extends into the fiscal year for which the budget has been developed.

**Figure 8-1: Annual Budget Timing Comparisons**

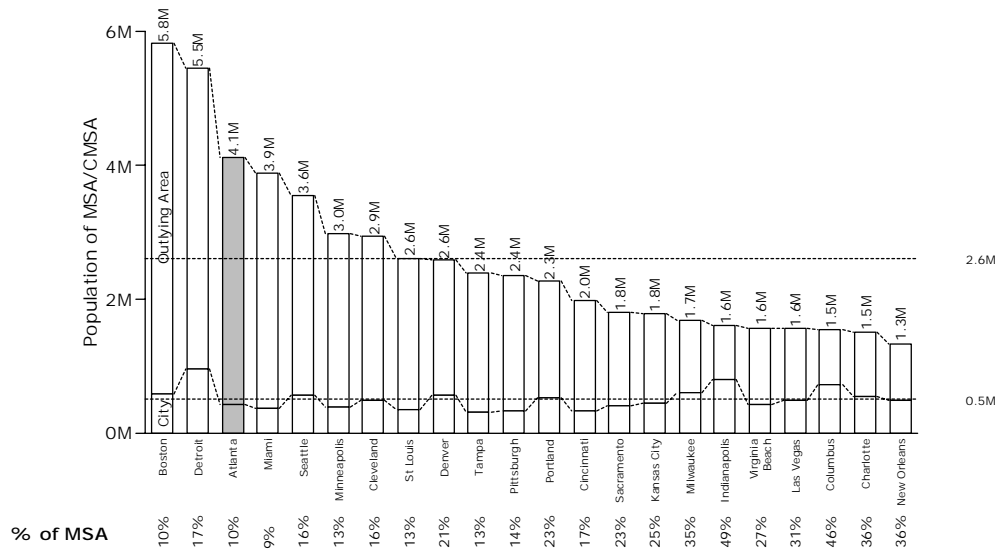


Source: Cities of Atlanta, Baltimore, Charlotte, Denver, Kansas City, Minneapolis, Nashville, New York City, St. Louis

## 9. APPENDIX

### Municipal characteristics

Figure A-1: Population Demographics



Source: U.S. Census Bureau (2000)

Figure A-2: Population Demographics

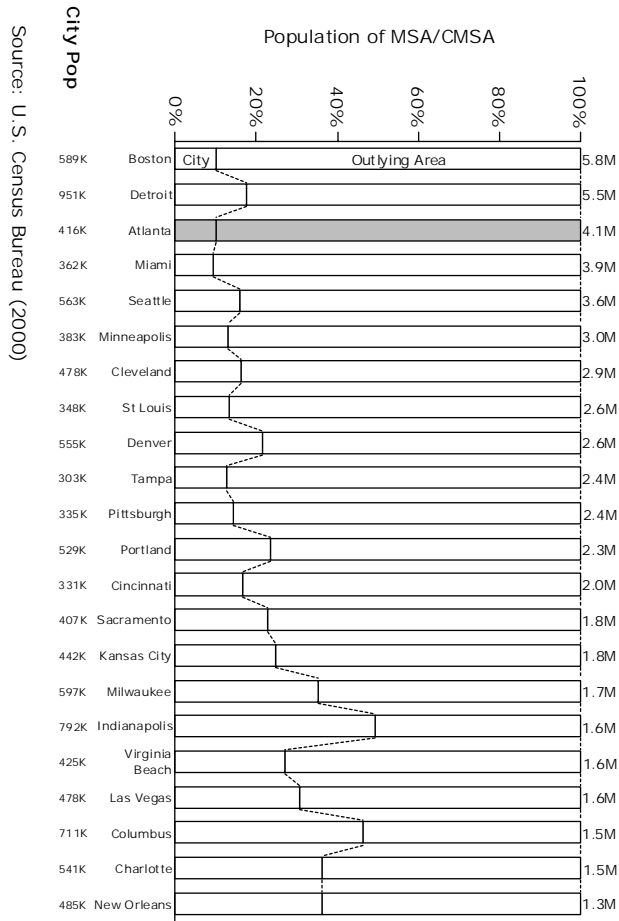


Figure A-3: Per Capita Income

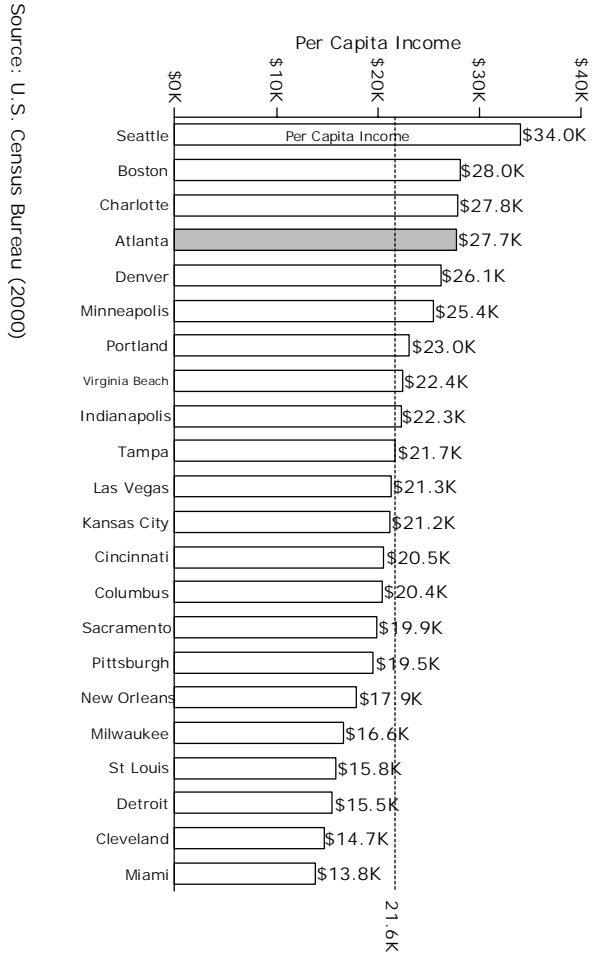
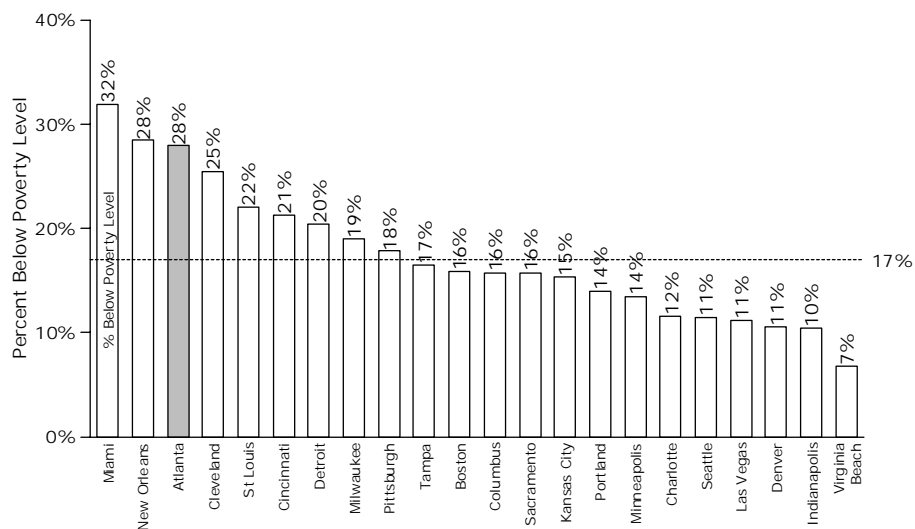


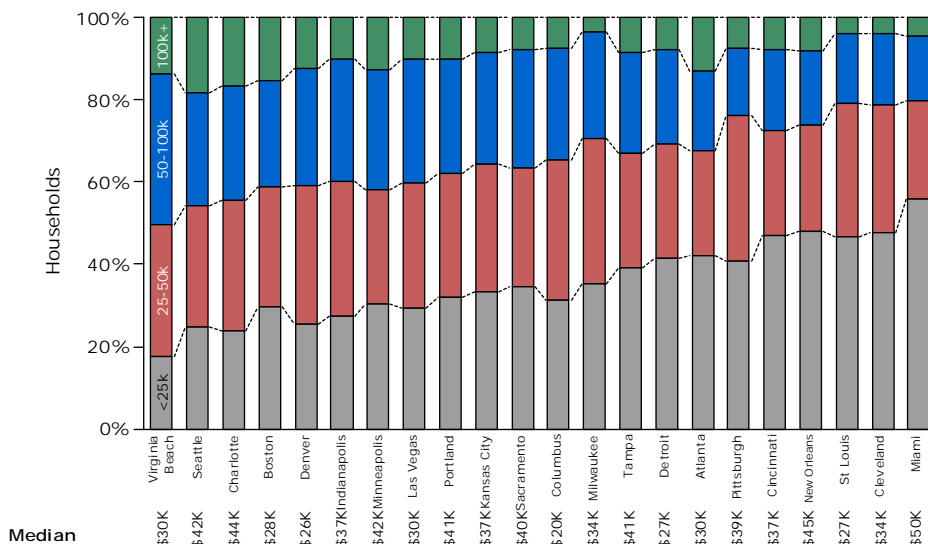


Figure A-4: Percent Below Poverty Level



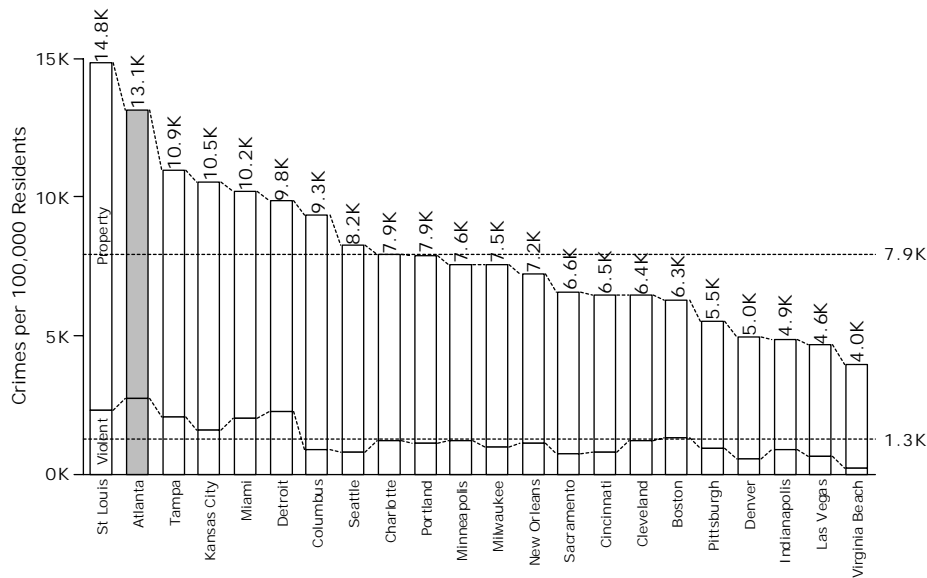
Source: U.S. Census Bureau (2000)

Figure A-5: Household Income Distribution



Source: US Census Bureau (2000)

Figure A-6: Crime Rates



Source: FBI, Crime in the United States (2000)

Figure A-7: Primary Sources

Interviews	Budgets	Other Sources
<ul style="list-style-type: none"> <li>Laura Lemond, Budget Analyst, City of Charlotte</li> <li>Brad Klafehn, Senior IT Developer / Budget Office, City of Denver</li> <li>Daryl Winer, Utilities Coordinator, City of Denver</li> <li>Sarah King, Legal Advisor, City of Denver</li> <li>Gary Opplinger, Director of Public Works Finance &amp; Administration, City of Denver</li> <li>Paul Payne, Deputy Budget Director, City of St. Louis</li> <li>Beverly Fitzsimmons, Financial Reporting Manager / Comptroller's Office, City of St. Louis</li> <li>Laura Kortekaas, Budget Analyst, City of Kansas City</li> <li>William Castillo, Budget Analyst, Miami</li> <li>Nancy Fernandez, Assistant Risk Management Administrator, City of Miami</li> <li>Lee Belland, Budget Analyst, Seattle</li> <li>Greg Peterson, Budget Analyst, Seattle</li> <li>Jeff Davis, Budget Analyst, Seattle</li> <li>Dr. Donald Ratajczak, Economist</li> <li>Mr. Lee Morris, Former City Councilmember</li> <li>Mr. Rob Pitts, Former City Councilmember</li> </ul>	<ul style="list-style-type: none"> <li>City of Baltimore</li> <li>City of Charlotte</li> <li>City of Cleveland</li> <li>City of Miami</li> <li>City of Denver</li> <li>City of Kansas City</li> <li>City of Seattle</li> <li>City of St. Louis</li> <li>City of Las Vegas</li> <li>City of Minneapolis</li> <li>City of Nashville</li> <li>City of New Orleans</li> <li>City of New York</li> <li>City of Oakland</li> <li>City of Pittsburgh</li> <li>City of Atlanta (1975-02)</li> </ul>	<ul style="list-style-type: none"> <li>Georgia Department of Revenue</li> <li>Georgia Department of Labor</li> <li>Atlanta Business Chronicle</li> <li>Metro Atlanta Chamber of Commerce</li> <li>Atlanta Visitors Bureau</li> <li>Hartsfield Department of Aviation</li> <li>Bureau of Labor Statistics</li> <li>Bureau of Economic Analysis</li> <li>US Department of the Census</li> <li>Atlanta Regional Commission</li> <li>Federal Reserve</li> <li>State and Metropolitan Area Data Book</li> <li>World Economic Outlook Database</li> <li>Yahoo Finance</li> <li>Georgia State University</li> <li>Georgia Institute of Technology</li> <li>Kennesaw State University</li> <li>University of Georgia</li> <li>University of Michigan</li> <li>Commerce Board</li> <li>Haversselect</li> <li>WEFA</li> <li>Euromonitor</li> <li>Revenue Analysis and Forecasting</li> <li>Priority Setting Models for Public Budgeting</li> <li>Charlotte FY2001 Cost Allocation Plan</li> <li>St. Louis FY2001 Cost Allocation Plan</li> <li>Seattle 2001-2006 Adopted Capital Improvement Program</li> <li>State and Local Gov't Finances: 98-99, U.S. Census</li> <li>State and Local Gov't Employment and Payroll: March 1999, 2000, U.S. Census</li> <li>Gov't Finance and Employment Classification Manual, U.S. Census</li> <li>Firehouse Magazine Nat'l Run Survey</li> <li>U.S. Fire Department Profile, NFPA</li> <li>The 2000 Corrections Yearbook (Jails), Criminal Justice Institute</li> <li>Law Enforcement Mgmt &amp; Administrative Statistics (1999), Bureau of Justice Statistics</li> <li>FBI Uniform Crime Reports</li> <li>ICMA Police Salaries (1999)</li> <li>ICMA Fire Salaries (1999)</li> <li>ICMA Comparative Performance Measurement, FY2000 Data Report</li> <li>Tax Rates and Tax Burdens in the District of Columbia - A Nationwide Comparison 2000</li> <li>REIS Database</li> <li>U.S. Census 2000</li> <li>An Elected Official's Guide to Revenue Forecasting</li> <li>Decision Tools for Budgetary Analysis</li> </ul>

Note: Excludes interviews with dozens of current City employees

## Data for charts

**Figure 3-2: Complete City of Atlanta Budget (2001)**

(in millions of dollars)

	<u>Governmental</u>	<u>Proprietary</u>	<u>Fiduciary</u>
General Fund	473		
Capital Project Funds	148		
Special Revenue Funds	130		
Debt Service Funds	73		
Special Assessment Funds	3		
Aviation Funds		1,734	
Water & Sewerage Funds		958	
Internal Service Fund		27	
Other		15	
Trust Fund			37
Municipal Market Loan Trust Fund			9
Home Investment Trust Fund			5
Other			4

**Figure 5-1: Inflation Adjusted General Fund Revenue**  
(in millions of dollars)

	1981	1982	1983	1984	1985	1986	1987
Sales Tax	0	0	0	38	68	69	71
Property Taxes	87	104	105	68	78	97	114
Licenses and Permits	35	35	34	36	41	39	43
Sales, Recoveries	35	32	36	40	46	38	22
Public Utilities Tax	27	28	31	30	30	30	32
Hotel / Motel	7	7	7	8	9	9	10
Fines and Penalties	8	9	9	10	10	11	11
Insurance Premiums	18	16	16	8	22	14	17
Alcoholic Beverages	22	22	20	22	20	20	19
Other	24	22	20	19	19	22	20
Total	264	274	279	278	343	350	359

	1988	1989	1990	1991	1992	1993	1994
Sales Tax	73	72	71	68	62	68	74
Property Taxes	125	126	134	138	136	127	124
Licenses and Permits	43	43	42	41	39	40	41
Sales, Recoveries	21	19	19	23	28	31	43
Public Utilities Tax	31	31	31	31	30	30	32
Hotel / Motel	10	22	25	25	24	28	30
Fines and Penalties	12	15	15	14	17	15	14
Insurance Premiums	18	18	18	15	19	14	14
Alcoholic Beverages	18	17	17	15	15	15	15
Other	24	22	22	26	27	21	23
Total	377	385	393	396	398	388	410

	1995	1996	1997	1998	1999	2000	2001
Sales Tax	79	90	83	90	95	99	95
Property Taxes	107	84	80	73	93	87	92
Licenses and Permits	41	46	47	46	50	53	52
Sales, Recoveries	49	58	47	39	39	39	40
Public Utilities Tax	31	33	32	32	41	41	40
Hotel / Motel	31	35	33	36	39	41	35
Fines and Penalties	14	12	16	18	19	21	16
Insurance Premiums	15	16	16	17	17	17	15
Alcoholic Beverages	15	16	14	14	15	14	14
Other	22	25	22	17	17	20	17
Total	404	415	390	383	424	432	416

**Figure 5-2: Inflation Adjusted General Fund**  
(in millions of dollars)

	1980	1981	1982	1983	1984
Expenditures	252	246	258	260	282
Receipts	268	264	274	279	278
<hr/>					
	1985	1986	1987	1988	1989
Expenditures	325	352	340	354	403
Receipts	343	350	359	377	385
<hr/>					
	1990	1991	1992	1993	1994
Expenditures	411	396	386	417	410
Receipts	393	396	398	388	410
<hr/>					
	1995	1996	1997	1998	1999
Expenditures	402	415	418	405	405
Receipts	404	415	390	383	424
<hr/>					
	2000	2001			
Expenditures	434	451			
Receipts	432	416			

**Figure 5-5: Inflation Adjusted General Fund Expenditure Increases (99 – 01)**  
(in millions of dollars)

	<u>Personnel Exp.</u>	<u>Other Operating Exp.</u>	<u>Internal Service Exp.</u>	<u>Intergvt'l Exp.</u>	<u>Capital Exp.</u>
Other	3.5		0.4	1.0	1.0
Police Field Operations	7.2				
Detention Facilities	5.0				
Police Criminal Investigations	2.6				
Judicial Agencies Admin.	2.4				
Police Admin. Services	1.6				
Traffic Court Operations	2.3				
Non Allocable Fund Exp. (Non Dept'l)	1.4				
Treasury Bureau (Finance)	1.7				
Police Chief	1.5				
Parks Bureau	1.3				
Non Allocable Fund Exp. (Non Dept'l)		9.5			
Commissioner's Office (Admin. Svcs.)				1.2	
Council Members				0.5	
Fire Operations					1.7
Bureau of Highways and Streets					0.6
Police Field Operations			1.1		

**Figure 5-6: General Fund Departmental Trend**  
(in millions of dollars)

	1989	1990	1991	1992	1993
Public Safety	195	201	193	195	208
Public Works	39	40	38	32	34
Administration	52	53	51	51	59
Parks and Recreation	34	33	32	26	26
Other	84	85	82	83	90
Total	403	411	396	386	417

	1994	1995	1996	1997	1998
Public Safety	205	193	204	217	214
Public Works	33	27	33	31	29
Administration	58	47	51	50	46
Parks and Recreation	25	27	30	30	27
Other	88	108	96	91	90
Total	410	402	415	418	405

	1999	2000	2001
Public Safety	212	230	242
Public Works	27	29	26
Administration	44	47	47
Parks and Recreation	24	24	26
Other	98	105	109
Total	405	434	451

**Figure 5-7: City of Atlanta Population**  
(in thousands)

	1981	1982	1983	1984	1985	1986	1987	1988	1989
Atlanta Population	402	401	400	400	399	398	397	396	395

	1990	1991	1992	1993	1994	1995	1996	1997	1998
Atlanta Population	394	396	398	400	403	406	408	411	413

	1999	2000	2001
Atlanta Population	414	416	422

**Figure 5-8: Inflation Adjusted General Fund per Capita Trend**

(in dollars)

	1981	1982	1983	1984	1985
Receipts	655	683	696	696	861
Expenditures	612	643	649	706	815
<hr/>					
	1986	1987	1988	1989	1990
Receipts	879	905	952	975	998
Expenditures	884	857	893	1,021	1,044
<hr/>					
	1991	1992	1993	1994	1995
Receipts	1,000	999	970	1,018	996
Expenditures	1,000	969	1,043	1,018	990
<hr/>					
	1996	1997	1998	1999	2000
Receipts	1,017	948	927	1,024	1,037
Expenditures	1,015	1,017	982	978	1,043
<hr/>					
	2001				
Receipts	984				
Expenditures	1,068				

**Figure 5-9: Inflation Adjusted Operating Results**

(in millions of dollars)

	1981	1982	1983	1984	1985	1986	1987	1988	1989
Cash flow	17	16	19	-4	18	-2	19	23	-18
<hr/>									
	1990	1991	1992	1993	1994	1995	1996	1997	1998
Cash flow	-18	0	12	-29	0	3	1	-29	-23
<hr/>									
	1999	2000	2001						
Cash flow	19	-2	-35						
City Court building reserve			-15						

**Figure 6-3: Actual General Expenditures (98-99)**  
(in millions of dollars)

	<u>Atlanta</u>	<u>Boston</u>	<u>Charlotte</u>	<u>Cincinnati</u>	<u>Cleveland</u>	<u>Columbus</u>	<u>Denver</u>
Education	0	740	4	0	0	0	27
Environment	220	330	149	202	160	234	224
Public safety	200	441	148	130	235	295	242
Government administration	76	69	21	41	74	74	132
Transportation	251	129	129	115	191	162	266
Interest on general debt	98	50	64	11	53	62	259
Social services	1	178	3	30	33	34	146
Other	170	167	63	108	32	24	20
Total	1,016	2,104	581	637	778	885	1,316

	<u>Detroit</u>	<u>Indianapolis</u>	<u>Kansas City</u>	<u>Las Vegas</u>	<u>Miami</u>	<u>Milwaukee</u>	<u>Minneapolis</u>
Education	1,503	0	0	0	0	23	19
Environment	612	389	160	111	86	221	182
Public safety	418	219	178	144	126	254	136
Government administration	203	173	55	62	27	60	25
Transportation	198	181	143	49	18	71	67
Interest on general debt	155	166	58	16	33	26	114
Social services	103	362	62	3	0	27	11
Other	283	118	36	36	49	80	78
Total	3,475	1,608	692	421	339	762	632

	<u>New Orleans</u>	<u>Pittsburgh</u>	<u>Portland</u>	<u>Sacramento</u>	<u>Seattle</u>	<u>St. Louis</u>	<u>Tampa</u>	<u>VA Beach</u>
Education	6	0	0	6	29	0	0	493
Environment	158	96	314	115	409	54	118	97
Public safety	218	117	177	191	258	208	137	114
Government administration	100	25	89	27	103	71	14	49
Transportation	114	33	108	61	214	218	82	31
Interest on general debt	65	59	63	30	34	50	35	42
Social services	26	13	2	15	16	30	19	48
Other	55	132	29	44	103	0	14	86
Total	742	475	782	489	1,166	631	419	960



**Figure 6-6: Actual Adjusted General Expenditures (98-99)**

(in millions of dollars)

	<u>Atlanta</u>	<u>Boston</u>	<u>Charlotte</u>	<u>Cincinnati</u>	<u>Cleveland</u>	<u>Columbus</u>	<u>Denver</u>			
Police protection	108	230	102	77	159	168	124			
Regular highways	42	65	58	79	43	80	85			
Housing & community development	7	102	26	45	64	26	39			
Parks & recreation	63	75	36	35	52	68	103			
Fire protection	62	123	47	46	70	107	64			
Financial administration	12	33	7	12	31	19	35			
Judicial and legal services	20	11	1	5	29	27	56			
Central staff services	37	16	9	12	14	15	18			
Protective inspection and regulation	4	12	0	7	0	12	7			
General public buildings	7	9	4	13	1	14	23			
Total	362	676	290	331	463	536	554			

	<u>Detroit</u>	<u>Indianapolis</u>	<u>Kansas City</u>	<u>Las Vegas</u>	<u>Miami</u>	<u>Milwaukee</u>	<u>Minneapolis</u>			
Police protection	294	130	112	69	80	163	88			
Regular highways	173	72	35	46	10	58	36			
Housing & community development	173	122	46	38	38	86	42			
Parks & recreation	106	135	65	49	18	10	68			
Fire protection	98	47	56	50	43	73	36			
Financial administration	85	113	13	14	11	31	9			
Judicial and legal services	65	46	7	16	3	10	3			
Central staff services	42	11	30	19	14	8	12			
Protective inspection and regulation	24	0	6	11	3	19	11			
General public buildings	11	4	5	14	0	10	0			
Total	1,071	680	375	326	220	468	305			

	<u>New Orleans</u>	<u>Pittsburgh</u>	<u>Portland</u>	<u>Sacramento</u>	<u>Seattle</u>	<u>St. Louis</u>	<u>Tampa</u>	<u>VA Beach</u>		
Police protection	103	70	103	91	140	124	94	59		
Regular highways	53	33	105	51	140	15	44	28		
Housing & community development	70	78	58	16	60	43	8	13		
Parks & recreation	24	11	81	46	138	8	33	32		
Fire protection	56	47	57	52	78	45	34	31		
Financial administration	25	8	42	14	38	20	7	14		
Judicial and legal services	30	3	4	4	35	35	2	8		
Central staff services	20	11	11	9	22	8	4	5		
Protective inspection and regulation	3	0	17	48	24	8	9	4		
General public buildings	25	2	33	0	7	7	2	22		
Total	409	263	511	331	682	313	237	216		

**Figure 6-7: Per Capita Actual Adjusted General Expenditures (98-99)**

(in dollars)

	<u>Atlanta</u>	<u>Boston</u>	<u>Charlotte</u>	<u>Cincinnati</u>	<u>Cleveland</u>	<u>Columbus</u>	<u>Denver</u>	<u>Detroit</u>	<u>Indianapolis</u>	<u>Kansas City</u>	<u>Las Vegas</u>
Police protection	259	390	188	232	332	235	223	309	164	254	144
Regular highways	100	110	108	240	91	112	152	182	91	80	97
Housing & community development	17	173	49	136	133	36	70	182	154	104	79
Parks & recreation	152	128	67	106	109	96	186	112	171	148	102
Fire protection	149	209	86	138	147	150	115	103	60	127	104
Financial administration	30	57	13	35	65	26	64	90	143	30	28
Judicial and legal services	48	19	2	15	61	37	101	68	58	16	33
Central staff services	88	26	17	36	28	21	32	44	13	68	39
Protective inspection and regulation	10	20	0	22	0	16	12	25	0	14	22
General public buildings	17	15	8	38	1	19	41	12	5	10	29
Total	870	1147	538	998	967	748	996	1127	859	851	677

	<u>Miami</u>	<u>Milwaukee</u>	<u>Minneapolis</u>	<u>New Orleans</u>	<u>Pittsburgh</u>	<u>Portland</u>	<u>Sacramento</u>	<u>Seattle</u>	<u>St. Louis</u>	<u>Tampa</u>	<u>VA Beach</u>
Police protection	220	273	231	213	209	195	224	248	356	310	139
Regular highways	27	98	95	110	99	199	126	249	44	144	65
Housing & community development	104	144	110	145	234	110	38	107	124	27	31
Parks & recreation	48	16	178	49	32	153	114	245	22	110	75
Fire protection	118	122	93	116	140	108	128	139	130	112	72
Financial administration	30	52	24	52	24	79	36	68	59	23	33
Judicial and legal services	8	17	9	62	10	7	10	63	101	6	18
Central staff services	38	14	32	41	34	21	22	39	22	12	12
Protective inspection and regulation	8	31	28	5	0	32	118	42	23	30	9
General public buildings	0	16	0	52	6	62	0	13	21	6	52
Total	601	783	800	845	788	966	816	1213	902	780	506

**Figure 6-9: Adjusted Government Personnel (March 2000)**

(In thousands)

	<u>Atlanta</u>	<u>Boston</u>	<u>Charlotte</u>	<u>Cincinnati</u>	<u>Cleveland</u>	<u>Columbus</u>	<u>Denver</u>	<u>Detroit</u>	<u>Indianapolis</u>	<u>Kansas City</u>	<u>Las Vegas</u>
Police	2.4	2.9	1.8	1.3	2.4	2.2	1.7	4.7	2.2	1.9	0.0
Fire	1.0	1.7	0.9	0.8	1.3	1.6	1.0	1.7	0.8	0.9	0.5
Parks & recreation	0.6	0.2	0.0	0.6	0.7	0.6	1.0	1.0	0.6	1.0	0.3
Central staff services	0.5	0.3	0.2	0.3	0.2	0.5	0.3	0.9	0.3	0.1	0.2
Judicial and legal services	0.4	0.0	0.0	0.3	0.5	0.5	0.6	0.7	0.9	0.1	0.2
Financial administration	0.4	0.3	0.2	0.4	0.3	0.2	0.4	0.5	0.3	0.2	0.2
Streets & highways	0.4	0.6	0.4	0.4	0.4	0.5	0.5	0.3	0.4	0.5	0.2
Housing & community development	0.1	0.5	0.1	0.3	0.3	0.1	0.3	0.6	0.1	0.1	0.1
Total	5.6	6.6	3.5	4.3	6.1	6.0	5.9	10.4	5.6	4.8	1.7

	<u>Miami</u>	<u>Milwaukee</u>	<u>Minneapolis</u>	<u>New Orleans</u>	<u>Pittsburgh</u>	<u>Portland</u>	<u>Sacramento</u>	<u>Seattle</u>	<u>St Louis</u>	<u>Tampa</u>	<u>VA Beach</u>
Police	1.5	2.6	1.2	2.1	1.2	1.4	1.0	1.8	2.1	1.2	0.9
Fire	0.7	1.1	0.5	0.8	0.9	0.7	0.5	1.1	0.7	0.6	0.4
Parks & recreation	0.3	0.2	0.9	0.5	0.1	0.6	1.1	1.4	0.2	0.5	0.4
Central staff services	0.3	0.3	0.5	0.4	0.3	0.1	0.1	0.8	0.2	0.1	0.2
Judicial and legal services	0.0	0.1	0.1	0.6	0.1	0.0	0.0	0.4	0.5	0.0	0.0
Financial administration	0.3	0.2	0.2	0.2	0.2	0.3	0.2	0.3	0.4	0.3	0.3
Streets & highways	0.1	0.6	0.7	0.2	0.6	0.6	0.2	0.6	0.3	0.2	0.2
Housing & community development	0.1	0.3	0.5	0.7	0.1	0.0	0.3	0.1	0.1	0.2	0.1
Total	3.3	5.4	4.6	5.5	3.4	3.7	3.5	6.4	4.5	3.2	2.6

**Figure 6-10: Adjusted Government Personnel per 100K Residents (March 2000)**

	<u>Atlanta</u>	<u>Boston</u>	<u>Charlotte</u>	<u>Cincinnati</u>	<u>Cleveland</u>	<u>Columbus</u>	<u>Denver</u>	<u>Detroit</u>	<u>Indianapolis</u>	<u>Kansas City</u>	<u>Las Vegas</u>
Police	568	496	333	393	511	305	314	495	279	430	10
Fire	230	290	160	248	275	218	173	181	104	194	98
Parks & recreation	138	35	4	179	144	78	183	103	76	220	72
Central staff services	109	53	30	78	40	72	63	93	36	34	32
Judicial and legal services	99	8	3	88	108	64	117	77	109	32	47
Financial administration	91	58	36	124	54	34	80	55	37	43	36
Streets & highways	89	104	66	114	74	69	81	28	53	108	47
Housing & community development	25	78	15	83	59	10	49	61	9	24	13
Total	1,348	1,121	646	1,306	1,266	850	1,060	1,093	702	1,084	356

	<u>Miami</u>	<u>Milwaukee</u>	<u>Minneapolis</u>	<u>New Orleans</u>	<u>Pittsburgh</u>	<u>Portland</u>	<u>Sacramento</u>	<u>Seattle</u>	<u>St Louis</u>	<u>Tampa</u>	<u>Virginia Beach</u>
Police	401	433	317	433	365	274	257	318	611	406	212
Fire	195	185	128	164	257	131	134	188	195	189	95
Parks & recreation	78	34	239	102	26	110	273	242	69	167	103
Central staff services	72	50	126	85	77	21	13	135	56	47	42
Judicial and legal services	13	22	29	117	26	8	10	70	153	10	9
Financial administration	92	30	51	45	64	51	55	56	104	94	68
Streets & highways	26	92	192	31	167	107	42	99	83	68	56
Housing & community development	30	55	127	152	33	3	76	22	21	66	21
Total	906	902	1,207	1,129	1,015	705	859	1,130	1,293	1,047	606

**Figure 6-11: Adjusted General Expenditures Payroll vs. Other Expenses**

	<u>Miami</u>	<u>Minneapolis</u>	<u>St. Louis</u>	<u>Pittsburgh</u>	<u>Tampa</u>	<u>Atlanta</u>	<u>Milwaukee</u>	<u>Cincinnati</u>	<u>Sacramento</u>	<u>Kansas City</u>	<u>Seattle</u>
Payroll	159	203	191	155	139	192	248	170	165	177	316
Other	61	102	122	109	99	170	220	161	166	198	366
Percent Payroll	72%	67%	61%	59%	58%	53%	53%	51%	50%	47%	46%

	<u>Columbus</u>	<u>Denver</u>	<u>Cleveland</u>	<u>Charlotte</u>	<u>Boston</u>	<u>VA Beach</u>	<u>Detroit</u>	<u>Portland</u>	<u>New Orleans</u>	<u>Indianapolis</u>	<u>Las Vegas</u>
Payroll	248	256	213	133	309	98	417	191	150	202	90
Other	288	298	250	157	367	118	654	320	259	478	236
Percent Payroll	46%	46%	46%	46%	46%	45%	39%	37%	37%	30%	28%

**Figure 6-13: Expenditure Variance vs. % MSA**

	<u>Expenditure Variance</u>	<u>% MSA</u>
Atlanta	10%	2%
Boston	10%	34%
Charlotte	36%	-37%
Cincinnati	17%	17%
Cleveland	16%	13%
Columbus	46%	-12%
Denver	21%	17%
Detroit	17%	32%
Indianapolis	49%	1%
Kansas City	25%	0%
Las Vegas	31%	-20%
Miami	9%	-30%
Milwaukee	35%	-8%
Minneapolis	13%	-6%
New Orleans	36%	-1%
Pittsburgh	14%	-8%
Portland	23%	13%
Sacramento	23%	-5%
Seattle	16%	42%
St Louis	13%	6%
Tampa	13%	-9%
Virginia Beach	27%	-41%

**Figure 6-14: Personnel Variance vs. % MSA**

	<u>Personnel Variance</u>	<u>% MSA</u>
Atlanta	10%	37%
Boston	10%	14%
Charlotte	36%	-34%
Cincinnati	17%	33%
Cleveland	16%	29%
Columbus	46%	-14%
Denver	21%	8%
Detroit	17%	11%
Indianapolis	49%	-29%
Kansas City	25%	10%
Las Vegas	31%	-64%
Miami	9%	-8%
Milwaukee	35%	-8%
Minneapolis	13%	23%
New Orleans	36%	15%
Pittsburgh	14%	3%
Portland	23%	-28%
Sacramento	23%	-13%
Seattle	16%	15%
St Louis	13%	32%
Tampa	13%	7%
Virginia Beach	27%	-38%

**Figure 6-18: 2001 Budgeted Operating Expenditures per Capita (Adjusted Common Services)**

(in dollars)

	<u>Atlanta</u>	<u>Charlotte</u>	<u>Denver</u>	<u>Cleveland</u>	<u>St. Louis</u>	<u>Kansas City</u>	<u>Miami</u>	<u>Seattle</u>
Police	315	225	271	366	360	289	398	294
Fire	143	105	120	157	144	137	174	193
Gov't	110	44	117	62	66	66	74	74
Trans	74	81	124	84	49	58	57	91
Planning	32	6	39	45	38	49	26	48
Central	23	32	28	22	31	22	18	4

**Figure 6-19: Per Capita Operating Budget Comparison**

(in dollars)

	<u>2001B</u>	<u>2002P</u>	<u>% Reduction</u>
Police	315	321	-2%
Fire	143	142	1%
Gov't	110	91	17%
Trans	74	69	7%
Planning	32	28	14%
Central	23	20	14%

**Figure 6-22: 2001 Authorized Headcount (Adjusted Common Services)**  
(in thousands)

	<u>Atlanta</u>	<u>Charlotte</u>	<u>Denver</u>	<u>Cleveland</u>	<u>St. Louis</u>	<u>Kansas City</u>	<u>Miami</u>	<u>Seattle</u>
Police	2.3	2.0	1.7	2.4	2.1	2.0	1.7	1.9
Fire	0.9	0.9	0.8	1.0	0.8	0.9	0.7	1.1
Gov't	0.5	0.2	0.6	0.4	0.3	0.3	0.3	0.5
Trans	0.4	0.4	0.6	0.3	0.3	0.3	0.1	0.6
Planning	0.2	0.0	0.2	0.4	0.3	0.2	0.1	0.5
Central	0.5	0.4	0.4	0.2	0.2	0.3	0.2	0.6

**Figure 6-23: 2001 Authorized Personnel per 100K Residents (Adjusted Common Services)**

	<u>Atlanta</u>	<u>Charlotte</u>	<u>Denver</u>	<u>Cleveland</u>	<u>St. Louis</u>	<u>Kansas City</u>	<u>Miami</u>	<u>Seattle</u>
Police	553	366	311	504	605	446	459	336
Fire	207	165	149	214	238	195	189	200
Gov't	123	43	109	92	77	73	73	90
Trans	88	74	107	73	78	62	26	102
Planning	52	9	45	94	73	46	35	93
Central	109	79	71	38	70	75	69	107

**Figure 6-24: Authorized Personnel Comparison**

	<u>2001B</u>	<u>2002P</u>	<u>% Reduction</u>
Police	553	477	14%
Fire	207	188	9%
Gov't	123	103	16%
Trans	88	77	13%
Planning	52	45	13%
Central	109	85	22%

**Figure 7-1: Inflation Adjusted APD Expenditures per Capita**  
(in dollars)

	<u>1996A</u>	<u>1997A</u>	<u>1998A</u>	<u>1999A</u>	<u>2000A</u>	<u>2001A</u>
Personnel Expenses	239	251	244	236	248	268
Op. Exp.	16	13	15	16	17	14
Int. Service	17	18	17	18	22	24
Cap. Exp.	4	11	6	6	8	7

**Figure 7-2: APD Personnel**

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Sworn	1,523	1,636	1,499	1,472	1,494	1,508
Civilian	476	526	487	458	478	529

**Figure 7-4: Police Department Personnel (FBI Reported)**

	<u>Atlanta</u>	<u>Seattle</u>	<u>Miami</u>	<u>Kansas City</u>	<u>Cleveland</u>	<u>St. Louis</u>	<u>Denver</u>	<u>Charlotte</u>
Officers	337	226	304	283	395	421	265	269
Civilians	107	91	86	144	116	173	59	80

**Figure 7-5: Inflation Adjusted AFD Expenditures per Capita**  
(in dollars)

	<u>1996A</u>	<u>1997A</u>	<u>1998A</u>	<u>1999A</u>	<u>2000A</u>	<u>2001A</u>
Personnel	141.4	142.8	146.9	145.5	148.7	147.5
Op. Exp.	7.7	7.3	6.2	7.9	7.8	5.8
Int. Serv.	6.9	5.8	6.2	6.2	7.7	5.0
Cap. Exp.	6.9	10.2	3.1	5.3	10.3	7.0

**Figure 7-6: AFD Actual Personnel**

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Sworn	894	872	856	815	829	882
Civilian	80	87	80	82	82	84

**Figure 7-9: Public Works Budgeted Expenditures per Capita**

(in dollars)

	<u>Atlanta</u>	<u>Charlotte</u>	<u>Denver</u>	<u>Cleveland</u>	<u>St. Louis</u>	<u>Kansas City</u>	<u>Miami</u>	<u>Seattle</u>
Streets	31	51	58	53	25	27	6	55
Traffic Systems	29	26	47	30	22	27	16	19
Admin	4	4	7	1	3	5	3	19

**Figure 7-11: Budgeted Expenditures per Lane Mile**

(in dollars)

	<u>Atlanta</u>	<u>Charlotte</u>	<u>Denver</u>	<u>St. Louis</u>	<u>Kansas City</u>	<u>Miami</u>	<u>Seattle</u>
Streets	7,662	13,741	6,398	5,067	5,195	1,591	7,383
Traffic Systems	7,090	7,131	5,202	4,486	5,129	4,402	2,489
Admin	1,014	1,026	807	532	869	679	2,501

**Figure A-1: Population Demographics**

(in millions)

	<u>Atlanta</u>	<u>Boston</u>	<u>Charlotte</u>	<u>Cincinnati</u>	<u>Cleveland</u>	<u>Columbus</u>	<u>Denver</u>	<u>Detroit</u>	<u>Indianapolis</u>	<u>Kansas City</u>	<u>Las Vegas</u>
City	0.4	0.6	0.5	0.3	0.5	0.7	0.6	1.0	0.8	0.4	0.5
MSA Population (2000)	4.1	5.8	1.5	2.0	2.9	1.5	2.6	5.5	1.6	1.8	1.6
Outlying Area	3.7	5.2	1.0	1.6	2.5	0.8	2.0	4.5	0.8	1.3	1.1

	<u>Miami</u>	<u>Milwaukee</u>	<u>Minneapolis</u>	<u>New Orleans</u>	<u>Pittsburgh</u>	<u>Portland</u>	<u>Sacramento</u>	<u>Seattle</u>	<u>St. Louis</u>	<u>Tampa</u>	<u>VA Beach</u>
City	0.4	0.6	0.4	0.5	0.3	0.5	0.4	0.6	0.3	0.3	0.4
MSA Population (2000)	3.9	1.7	3.0	1.3	2.4	2.3	1.8	3.6	2.6	2.4	1.6
Outlying Area	3.5	1.1	2.6	0.9	2.0	1.7	1.4	3.0	2.3	2.1	1.1

**Figure A-2: Population Demographics**

(in millions)

	<u>Atlanta</u>	<u>Boston</u>	<u>Charlotte</u>	<u>Cincinnati</u>	<u>Cleveland</u>	<u>Columbus</u>	<u>Denver</u>	<u>Detroit</u>	<u>Indianapolis</u>	<u>Kansas City</u>	<u>Las Vegas</u>
City	0.4	0.6	0.5	0.3	0.5	0.7	0.6	1.0	0.8	0.4	0.5
Outlying Area	3.7	5.2	1.0	1.6	2.5	0.8	2.0	4.5	0.8	1.3	1.1

	<u>Miami</u>	<u>Milwaukee</u>	<u>Minneapolis</u>	<u>New Orleans</u>	<u>Pittsburgh</u>	<u>Portland</u>	<u>Sacramento</u>	<u>Seattle</u>	<u>St. Louis</u>	<u>Tampa</u>	<u>VA Beach</u>
City	0.4	0.6	0.4	0.5	0.3	0.5	0.4	0.6	0.3	0.3	0.4
Outlying Area	3.5	1.1	2.6	0.9	2.0	1.7	1.4	3.0	2.3	2.1	1.1

**Figure A-5: Household Income Distribution**

(households)

	<u>VA Beach</u>	<u>Seattle</u>	<u>Charlotte</u>	<u>Boston</u>	<u>Denver</u>	<u>Indianapolis</u>	<u>Minneapolis</u>	<u>Las Vegas</u>	<u>Portland</u>	<u>Kansas City</u>	<u>Sacramento</u>
<25k	26,692	62,484	50,623	70,463	60,487	87,951	48,150	55,441	71,076	59,622	54,148
25-50k	49,315	74,945	66,993	68,426	80,463	105,393	43,927	57,438	67,682	55,659	45,091
50-100k	55,583	69,323	59,043	60,752	67,945	95,935	45,932	57,022	62,246	48,765	45,457
100k+	21,157	46,685	35,242	36,675	29,582	33,157	20,249	19,219	22,521	15,269	12,146

	<u>Columbus</u>	<u>Milwaukee</u>	<u>Tampa</u>	<u>Detroit</u>	<u>Atlanta</u>	<u>Pittsburgh</u>	<u>Cincinnati</u>	<u>New Orleans</u>	<u>St. Louis</u>	<u>Cleveland</u>	<u>Miami</u>
<25k	92,197	82,103	48,873	135,097	69,759	57,423	67,999	88,709	67,542	89,950	71,512
25-50k	101,352	82,529	35,206	89,550	42,464	49,447	37,405	47,467	46,802	58,884	30,387
50-100k	80,582	59,662	30,642	74,577	32,070	23,192	28,290	33,480	24,345	32,796	20,325
100k+	21,998	8,531	10,579	25,854	21,526	10,549	11,433	15,116	5,678	7,490	5,746

**Figure A-6: Crime Rates**

(in thousands)

	<u>Atlanta</u>	<u>Boston</u>	<u>Charlotte</u>	<u>Cincinnati</u>	<u>Cleveland</u>	<u>Columbus</u>	<u>Denver</u>	<u>Detroit</u>	<u>Indianapolis</u>	<u>Kansas City</u>	<u>Las Vegas</u>
Violent	2.7	1.3	1.2	0.8	1.2	0.9	0.5	2.3	0.9	1.6	0.6
Property	10.4	5.0	6.7	5.7	5.2	8.4	4.4	7.6	4.0	8.9	4.0

	<u>Miami</u>	<u>Milwaukee</u>	<u>Minneapolis</u>	<u>New Orleans</u>	<u>Pittsburgh</u>	<u>Portland</u>	<u>Sacramento</u>	<u>Seattle</u>	<u>St. Louis</u>	<u>Tampa</u>	<u>VA Beach</u>
Violent	2.0	1.0	1.2	1.1	0.9	1.1	0.8	0.8	2.3	2.1	0.2
Property	8.2	6.6	6.3	6.1	4.6	6.8	5.8	7.4	12.5	8.9	3.8

## **10. BAIN & COMPANY OVERVIEW**

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